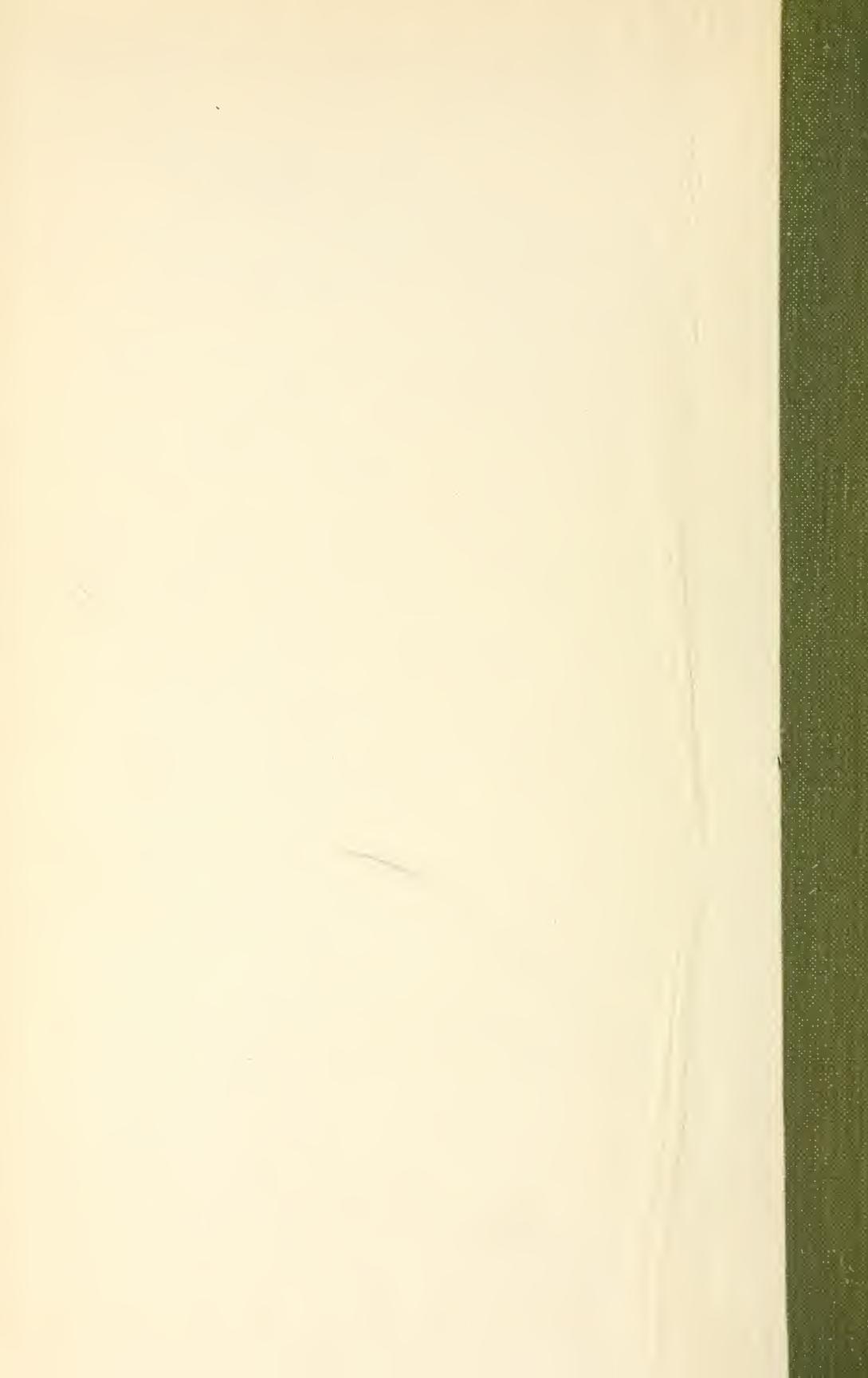


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## LIMITATION OF HOME TRADE IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN  
THE UNITED KINGDOM

London, November 25, 1940.—In *Commercial Intelligence Journal* No. 1900 (June 29, 1940), page 1000, a report was published dealing with the Limitation of Supplies Order which restricted the sales in the home market of a wide range of commodities during the period June 6 to November 30. The quota permitted for consumption was two-thirds of the value of those commodities supplied during the corresponding period of 1939.

For the six months December 1, 1940, to May 31, 1941, a new order has been made which is of a much more drastic nature. Some additions to the previous schedule of restricted goods have been made, and there have been a few deletions. The quota, however, has been reduced from 66 $\frac{2}{3}$  per cent generally to 25 per cent, although in a number of cases the permitted percentage is 50 per cent or 33 $\frac{1}{3}$  per cent.

In introducing the new regulations the President of the Board of Trade explained that the country has in front of it an enormous production program. More than one million extra workers will be required in the munitions industries by next August, besides the large drafts of men needed for the Services. The home trade must, therefore, make a contribution by releasing raw materials, plant and workers. He said there was no lack of consumer goods, and one of the objects of the new order was to conserve stocks and make them last as long as possible, so that the effort which would be devoted to their replacement might be released for the direct production of munitions.

The order is framed so as to allow the greatest flexibility and ensure that as far as possible suppliers will concentrate on the cheaper lines.

The President stated that it was not the intention to create unemployment, nor should that be the effect of the order. Two-thirds, and in some cases up to 90 per cent, of the labour displaced in consequence of the original order had been reasonably quickly absorbed into the munitions industries.

As restriction is on the basis of value and not volume, it seems likely that one effect will be to increase output of cheaper standard lines of the classes of goods affected.

## PROMOTION OF UNITED KINGDOM LEATHER EXPORTS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in London, writes that the Board of Trade have, with the approval of the Treasury, made an order entitled "The Encouragement of Exports (Leather, Footwear, and Allied Products) Order, 1940." The Order imposes a levy of one quarter of one per cent on purchases of raw skins and hides and vegetable tanning materials, and on imported leather, the proceeds of the levy to be available for defraying the expenses of the Leather, Footwear, and Allied Industries Export Group through the medium of a non-trading corporation established by the group under the title of the Leather, Footwear, and Allied Industries Export Corporation, Limited. The Corporation has been formed to encourage and assist in various ways the exportation of leather and of leather goods of all kinds, including footwear.

Power has been taken to send oversea trade missions and trade commissioners, and to appoint resident agents abroad to participate in trade fairs and exhibitions. Provision is also made for the collection and publication of trade information, and for the conduct of research and investigation aimed at fostering increased export trade in leather and leather goods.

## UNITED KINGDOM OVERSEAS TRADE IN OCTOBER

Total imports into the United Kingdom during October exceeded by £4·5 million the low figure of £80,632,023 recorded for September; but exports of domestic produce and manufactures—due partly to a technical change in methods of making returns—was £7·8 million lower than the value of £31,177,290 in September, and re-exports fell off slightly as compared with the previous month. The excess of imports over total exports was £60,738,000, which was £12,475,000 greater than in September but slightly less than in August. For the ten months of the year the excess of imports was £562 million or £247 million greater than in the first ten months of 1939.

The following table shows the values of imports, exports and re-exports for October and September, 1940, and for October, 1939:—

	Oct., 1940	Sept., 1940	Oct., 1939
Imports . . . . .	£1,000	£1,000	£1,000
Exports . . . . .	85,096	80,632	61,871
Re-exports . . . . .	23,391	31,177	24,623
	967	1,192	1,998

### IMPORTS

Imports of food, drink and tobacco in October were valued at £32,606,676, an increase of £3,284,000 as compared with September. This increase was due mainly to an increase of more than £3,000,000 in imports of meats. There were also smaller increases for grain and flour, living animals and miscellaneous foodstuffs, but these were largely offset by reductions for dairy produce, beverages and tobacco. As compared with October, 1939, imports in this group were higher in value by £2,800,256. Values of the main items for the two October periods were: grain and flour, £6,515,586 (£2,923,783); meat, £9,483,936 (£6,174,359); dairy produce, £3,408,674 (£5,205,891); fresh fruit and vegetables, £1,052,402 (£2,253,760); living animals for food, £1,379,488 (£1,405,819); beverages, £4,656,021 (£2,651,566); miscellaneous, £4,970,092 (£7,098,050); tobacco £683,000 (£1,570,294).

Raw materials and articles mainly unmanufactured were imported in October to a value of £23,418,428, an increase of £1,330,000 over September.

There was a rise over the previous month in imports of rubber, oilseeds and unmanufactured oil, but a decline in wool imports. The value for October, 1940, compares with the figure of £15,913,372 for October, 1939, representing an increase of nearly one-half. The greatest increases over the previous year were in the following items: iron ore and scrap, £1,577,496 (£822,480); wood and timber, £4,285,660 (£2,375,311); raw and waste wool and woollen rags, £2,671,750 (£1,005,458); seeds and nuts for oils, oils, fats, resins and gums, £3,392,187 (£1,826,733). There were decreases in raw cotton and cotton waste from £3,792,547 to £1,924,556 and in paper-making materials from £1,339,149 to £875,530.

Imports of articles wholly or mainly manufactured were valued at £28,628,970, a slight increase over the figure of £28,843,387 for September. While there was no substantial change for the group as a whole, the value of imports of vehicles (including aircraft) was considerably lower and values of non-ferrous metals, machinery and iron and steel higher. These changes compare with a marked increase in imports of vehicles in September as compared with August and a sharp decline in non-ferrous metals. The value of imports in this group for the month under review compares with £15,716,017 for October, 1939, showing an increase of £12,912,953. Values of items showing the greatest change were: iron and steel and manufactures thereof, £5,857,443 (£1,081,717); non-ferrous metals and manufactures thereof, £6,151,603 (£2,637,317); machinery, £3,446,813 (£2,120,760); oils, fats and resins, manufactured, £4,463,177 (£3,245,068); vehicles, including locomotives, ships and aircraft, £3,050,773 (£214,656).

#### EXPORTS

The total value of exports of the produce and manufactures of the United Kingdom in October was £23,390,911 as compared with £31,177,290 in September and £24,622,840 in October, 1939. It was lower than in any month since the first month of the war.

As compared with September, the chief decline was in manufactured articles, which fell in value by £7,200,000. Miscellaneous manufactures were £1,600,000 and cotton goods £1,100,000 lower. There were smaller but substantial decreases also in iron and steel, woollen and worsted goods, chemicals and machinery. On the other hand, exports of vehicles rose by £800,000. Exports of the food, drink and tobacco group were £400,000 less than in September, half the decline being in exports of beverages and cocoa preparations; while exports of raw materials showed a minor decline, shipments of coal being substantially the same.

Comparison of the figures for October with those for October, 1939, shows little change for the food, drink and tobacco group, exports of which were valued at £2,219,923 as compared with £2,218,595. Exports of raw materials and articles mainly unmanufactured were substantially lower, however, at £1,763,559 as against £3,833,745. This was due mainly to a drop in coal shipments from £3,234,512 to £1,338,751. Exports of articles wholly or mainly manufactured showed a slight increase, being valued at £19,023,440 as compared with £18,035,032. There were increases in vehicles from £1,362,840 to £2,406,268, in chemicals, drugs, dyes and colours from £1,097,567 to £1,508,521, in woollen and worsted yarns and manufactures from £1,366,773 to £1,528,166, and in paper and cardboard from £330,173 to £589,541. Other increases were recorded in pottery and glass, cutlery and hardware, electrical goods, and rubber manufactures. Chief decreases were in non-ferrous metals from £962,764 to £690,365, cotton yarns and manufactures from £2,989,888 to £2,731,715, and coke and manufactured fuel from £328,879 to £40,022.



## BUSINESS CONDITIONS IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, November 20, 1940.—Economic conditions in the Union of South Africa remain relatively favourable and political tension, which was noticeable earlier in the year, is easier. There has been a marked expansion in foreign trade, a heavy increase in state revenues, domestic industry is active and unemployment has ceased to be a problem. All these factors are characteristic of periods of prosperity, but they are now superimposed on the stimulation caused by wartime conditions, which is an unstable foundation. Both wholesale and retail trade in all the principal centres has been fairly active and more satisfactory than earlier in the year, despite some quietness which was noticeable in rural areas at the beginning of the second half of the year. Manufacturing continues to be well employed, particularly those branches which are engaged in the manufacture of products required by the defence forces.

In dealing with the industrial situation, the Minister of Railways recently stated that the war had given industry in South Africa an impetus which was equivalent to twenty years of normal development. The increase in employment, coupled with the large number of men now on military service, has caused retail turnovers to increase, particularly in the less expensive types of stores. As a result, a number of the so-called bazaars have become important contributors to the excess profits tax.

### PRICES AND LIVING COSTS

Price control legislation has been reasonably effective in restraining an increase in living costs, although there has been an upward movement. Clothing and footwear show the steepest rise, having gone up by 18 per cent in comparison with pre-war prices. Foodstuffs are estimated to have increased by 2 per cent, while certain items, such as fuel, rent and light, have not shown any marked fluctuation. In sequence to this trend, the Government has adopted a scheme for the payment of living allowance to civil servants and railway employees should the cost of living rise beyond a fixed point.

### GOVERNMENT FINANCE

Union revenue collected in the first seven months of the current fiscal year totalled £29,547,000, an increase of £5,860,000 over the total for the corresponding period of the preceding year. The bulk of this increase was in inland revenue income, although customs and excise, and posts and telegraphs, were also substantial contributors. Defence expenditure on revenue account during the same seven months amounted to £20,500,000 in comparison with £1,330,000 during the same period of last year.

Subscription lists for three Union defence loans were opened on October 23. Two of these are interest bearing, the first being issued at 99½ per cent at a rate of 3½ per cent, redeemable 1952-57. The second is a short-term loan at 99 per cent with interest at 2½ per cent and redeemable in 1946. The third issue is non-interest bearing, and is designed to meet the wishes of subscribers who wish to make interest-free contributions to the Union's war effort. While the books have not been closed, all three loans are reported to have been highly successful and to have been over-subscribed. At a special session of the Union Parliament held in August, Parliament was asked to approve of additional expenditures amounting to just under £33,000,000, of which £9,300,000 would be incurred on revenue account and £23,600,000 on loan account. Concurrently, increases were announced in various taxes which were expected to yield £4,825,000.



### GOLD AND METAL OUTPUT

The annual report of the Government Mining Engineer dealing with the total mineral output of the Union for 1939, which has just been published, indicates that the output of gold at average price, realized £110,507,674, as compared with £98,573,140 in 1938. The rise was accounted for by an increase of 660,115 fine ounces in output and the higher price realized for the metal. Excluding gold and diamonds, the value of other metals produced during 1939 was £8,960,702 as compared with £8,407,274 in the preceding period.

### WHEAT AND FRUIT

The latest information regarding the wheat crop indicates a sub-normal yield. The official estimate up to the end of October was 4,942,000 bags (of 200 lb.), which is below the total production of the preceding year, when imports were necessary.

The United Kingdom has recently agreed to take a substantial quantity of the deciduous fruit crop. The exportation of citrus fruit is handicapped by a shortage of suitable shipping space, although the situation was stabilized by the British Government's agreement to import 3.2 million of the estimated export surplus of 4.6 million cases. The volume of wool exports during the first eight months of the year was slightly below that of the preceding period. The decline in building activities continued.

### FOREIGN TRADE

The Union's foreign trade continues to expand. During the ten months ending October, 1940, imports jumped to £90,305,282 from £75,072,125 for the corresponding period of 1939, while exports, excluding gold bullion and specie and wool (for which the figures are not available), increased to £26,946,609 as compared with £21,676,060.

In the same period revenue from customs duties increased from £9,857,561 to £9,982,690. In the month of October, 1940, import duties yielded £1,071,768 as compared with £804,411 in October, 1939.

During the ten months ended October, 1940, the export of diamonds rose to £1,863,407 from £1,554,148 in 1939. Maize to the value of £1,663,585 was exported. Bunker coal and ships' stores rose to £2,959,926 from £1,304,922.

## AUSTRALIAN TRADE AND ECONOMIC NOTES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

### MEAT SALES TO BRITAIN

Sydney, November 4, 1940.—The Australian Meat Board has announced that the British Ministry of Food will purchase a total quantity of 249,000 tons of Australian meats in the year ending September 30, 1941. This quantity will include 225,000 tons of beef and veal, mutton, lamb and porker pork, and 24,000 tons of baconers. This total compares with the 240,000 tons originally agreed to for the year 1939-40.

As was the case during 1939-40, when 260,000 tons were actually shipped, it is anticipated that extra quantities will again be required during 1940-41, provided shipping space is available. It is further understood that representations have been made by the Australian Meat Board for the inclusion in the contract of an additional 7,500 tons of boneless beef and veal and 6,000 tons of baconer pork.

## BUTTER OUTPUT

The production of butter in Australia during the year ended June 30 last was 4,075,155 cwt. as compared with 3,895,666 cwt. in 1938-39. State production figures were: New South Wales, 1,000,177 cwt. (1,016,435 cwt. in 1938-39); Victoria, 1,444,050 cwt. (1,132,218); Queensland, 1,248,185 cwt. (1,378,371); South Australia, 175,695 cwt. (156,728); West Australia, 124,920 cwt. (130,846); Tasmania, 82,128 cwt. (81,068). The State of Victoria showed the greatest individual increase.

## ECONOMY IN OVERSEAS FUNDS

In a recent survey of Australia's wartime economy and the various emergency and economic measures, the chairman of directors of the Commonwealth Bank of Australia stressed the urgent need for further conserving the Commonwealth's foreign credits. He emphasized that economy of dollars is still the main aim, although there is also the need for economy in all overseas funds. He stated that for the third year in succession the value of exports, including new gold produced, has been insufficient to meet the cost of imports and of external interest payments.

Actual figures available show that Australia's overseas funds in 1939-40 actually increased as a result of "invisible" items, chiefly non-recurring transfer of capital. Although the United Kingdom Government is helping to finance the Commonwealth's overseas war expenditure, he said, every effort must be made by Australia to meet additional overseas expenditure from her current receipts of international funds. He pointed out further that considerable uncertainty exists regarding the export position for 1940-41 due to shipping and marketing difficulties.

The main problem in Australia's external economy is that of reducing as far as possible the demand for dollars for civil purposes because of the urgent need for the Empire to use all its available dollar resources for the purchase of aircraft, munitions and essential war needs. Internally the main problem is to provide the resources required for the defence program without undue disturbance of employment or production of goods for civil purposes.

## MISSIONS FROM THE NEAR EAST

The growing importance of Australia as a supply base is emphasized by the recent arrangements made for a visit by a special mission representing the Thailand Government. It will visit Australian electricity works, steel plants and leading industrial centres, and will confer with officials of Commonwealth and State departments, including defence authorities. Before arriving in Australia the mission will visit India, Burma and British Malaya.

Similarly, a trade mission from the Netherlands East Indies will also arrive shortly to inspect Australia's industrial facilities with a view to obtaining urgent requirements not now available from European sources. The inclusion of the Netherlands East Indies in the sterling bloc has largely influenced the visit of the mission.

Useful new trade outlets in the two countries concerned are expected to be the result of the visits of the two missions.

## EASTERN EMPIRE GROUP CONFERENCE

The Commonwealth is participating in the Eastern Group Conference being held at Delhi to consider production and supply questions associated with the Empire's war effort. New Zealand, South Africa, Southern Rhodesia, Burma, Ceylon, Malaya, Hongkong, Shanghai and the British territories in East Africa have also sent delegations. While the object of the conference is to make a complete survey of the war productive capacity and needs of the participating

countries and to seek ways and means of co-operation and co-ordination of war efforts, it is expected that the information gained and policies adopted will also be particularly valuable in connection with post-war readjustments.

### WOOL CONSUMPTION

The forthcoming appraisals of wool in Australia, particularly in New South Wales, have brought into prominence the advantage of the agreement with the British Government whereby the entire production will be at the disposal of the United Kingdom authorities. The severe drought conditions have resulted in a shorter and thinner growth of the staple of the wool, which, although suitable in normal circumstances for use in European mills, is unsuitable for the demand experienced from Yorkshire, American and Japanese buyers. No wool can now be sold to Europe, of course, and without the British contract values for drought-affected clips would be reduced. All wools, however, will be priced irrespective of whether they will be shipped and used promptly or kept on hand pending better trading opportunities.

The Australian wool trade has never before been in a position similar to that existing to-day. In the 1914-18 war France had many of her mills free for manufacturing and, in addition, her army and civil population were important consumers of imported woollen goods. Holland, Denmark, Norway, Sweden and Italy were also using large quantities of raw wool and imported fabrics, whereas now this trade has been eliminated.

The compensating factors are the increased consumption in Australian and Canadian mills and the large requirements of Great Britain and the United States. Good reasons apparently exist for the higher values recently prevailing for wool on the American markets, and it is anticipated that much greater quantities of wool will be imported from Australia and elsewhere for United States army and civil requirements.

### STRATEGIC RESERVE OF WOOL

The Australian Government has announced the conclusion of an agreement between the United Kingdom and the United States for a reserve of wool to be held in the United States. This wool will be available for purchase by the United States in the event of an emergency arising making it necessary for use in that country. The reserve, at the suggestion of the United States Government, will consist of 250,000,000 lb. of Australian wool, which represents about 25 per cent of the total Australian clip. This arrangement will not interfere, however, with ordinary commercial purchases of wool from Australia or elsewhere by United States importers. It is understood, however, that the arrangement with the United Kingdom Government safeguards the domestic wool producer of the United States, inasmuch as recourse to the strategic reserve will not be made unless United States production is insufficient for the nation's requirements.

### OVERSEAS TRADE

The Australian trade balance for the first three months of the financial year 1940-41 showed an improvement over that of the corresponding period of last year. For the three months ended September 30 exports were £stg.6,120,000 higher in value than in the corresponding period last year and imports £stg.5,393,000 higher. The unfavourable commodity balance at the end of the three months was £stg.4,738,000 as compared with an unfavourable balance of £stg.5,465,000 for the first three months of 1939-40.

This position is regarded in official circles as extremely satisfactory in view of the drastic overseas market readjustments since the commencement of hostilities. Total exports for the three months were valued at £stg.25,553,000 as compared with £stg.19,433,000 in 1939-40, while imports amounted to £stg.30,291,000 as compared with £stg.24,898,000.



### WAR TAXATION

For the year ended June 30, 1940, Federal and State direct and indirect taxation yielded £144,397,334 in revenue. This represents a per capita taxation amounting to £20 13s. 3d. Commonwealth taxation receipts amounted to £90,010,663 or £12 17s. 4d. a head, and State collections to £54,386,671 or £7 15s. 11d. a head. Both the Federal and State receipts showed a marked increase over the previous year, those of the Commonwealth being £15,973,000 higher and combined State collections £3,880,000 greater. It is of interest to note that total taxation, both Commonwealth and State, paid by Australians was £4 14s. 4d. per capita in 1914.

### AUSTRALIAN AIR LINES

Recent figures released by the Commonwealth authorities show that since 1935 the annual mileage flown by Australian civil air lines has increased from 1,320,594 to 7,950,000, with no fatal accidents since October, 1938. There are now 32 subsidized air lines and four unsubsidized services operating regular passenger mail and freight schedules.

The longest route flown by an Australian company is Sydney-Darwin-Singapore, a distance of 4,669 miles. One-day flights operated by Australian services are Melbourne-Perth (1,809 miles) and Adelaide-Darwin (1,665 miles). Another important service links Sydney, Cooktown and Rabaul, a distance of 2,522 miles, while a recent link has been added between the Australian mainland and Thursday Island, from Cairns in Queensland via Horn Island in Torres Straits.

### OPPORTUNITIES FOR CANADIAN SALES IN THE BELGIAN CONGO

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

(176·62 Belgian Congo francs equal £1 sterling; one Kilogram equals 2·2 pounds)

Johannesburg, November 7, 1940.—There are prospects at the moment of developing markets for certain Canadian products in the Belgian Congo. A large percentage of the Colony's imports were formerly obtained from European countries, in particular from Belgium. As trade with these sources of supply has now been suspended, importers have been forced to divert purchases to other markets. The acute shortage of manufactured goods of all types and foodstuffs, which developed after the invasion of Belgium, has to some extent been overcome as orders were transferred from usual Belgian suppliers and placed in the United Kingdom, United States, Japan, Portugal and the Union of South Africa. There is still a shortage of many lines such as paper, hardware, sporting goods, tools, tinned fish, tinned milk, tinned fruit and vegetables, and departmental store merchandise, which might be supplied from Canada at competitive prices.

### VALUE OF TOTAL IMPORT TRADE

The volume of the Belgian Congo's import trade is not large. Total imports were valued at approximately \$28,400,000 in 1938, and at \$31,300,000 in 1937. Considering the limited white population (Europeans number about 27,500), however, imports per capita are comparatively high.

### PURCHASING POWER

There are two distinct and separate markets in the Belgian Congo. There is, firstly, the demand arising from the European population and local industries, and secondly, that which is forthcoming from the native population of 10,000,000.



The mining industry, by far the largest single industry in the Colony, is an extensive purchaser of all types of mining equipment and supplies. The income of the average European is fairly high and this part of the population buys large quantities of better-quality products.

The average wage earned by natives in the Congo is extremely low and, therefore, from that part of the population the demand is for very cheap articles. The native trade was in the past dominated by such countries as Belgium, Japan, Poland, Germany and Czecho-Slovakia. In view of the cheapness of the merchandise required, it is doubtful if the native market will be of interest to Canadian firms.

#### NOTES ON PRODUCTS OF POSSIBLE INTEREST TO CANADA

The following notes on a few of the Congo's essential imports have been prepared as a general guide to Canadian exporters:—

##### FLOUR

Total imports of flour in 1939 amounted to 2,131,009 kilograms valued at 4,399,912 francs (approximately \$111,245). This volume and value compares with 2,517,306 kilograms valued at 6,252,726 francs (\$158,095) in 1938, and 2,344,655 kilograms at 6,875,053 francs (\$173,826) in 1937.

There are no separate statistics showing the imports of flour by countries of origin, but information obtained through inquiries shows that the bulk of the flour originates in the United States, the well-established "Pillsbury Brand" being the best seller. Recent quotations on 100-pound bags of United States manufacture were \$3.25 c.i.f. Matadi. Canada and Southern Rhodesia also obtain a share of the business; but imports from these countries are smaller than from the United States. Canadian millers formerly had a larger share of Congo flour imports; but for various reasons, chiefly because Canadian flour was placed with too many distributors, some of the trade was lost.

The chief demand is for quality flour packed in 100-pound bags for sale to the bakers and in five-pound bags for the counter trade. The type of packing used is similar to that regularly employed by Canadian flour mills. Quotations c.i.f. Matadi are preferred.

Most of the larger importing firms, and there is a considerable number of these, purchase regular monthly quantities of flour ranging from 100 to 500 bags. Some of the larger bakers import directly, but it is felt that this practice should not be encouraged by Canadian exporters. Bread is much too expensive to be included in the natives' diet, so that there is little or no flour sold for the manufacture of bread for native consumers.

##### WHEAT

Minoteries du Katanga operate a modern flour mill at Jadotville, their annual production of quality flour being about 500 tons. Their chief item of manufacture is mealie meal for native consumption and they mill 4,800 tons of this meal each year. The company's yearly wheat imports vary from 200 to 300 tons. One half of this quantity is imported from the United States or Canada and the remainder from Argentina or Australia. Imported wheat is blended with locally grown wheat.

In addition there is one smaller flour mill in the Kivu district using local and imported Kenya wheat. At the present rate of flour manufacture it does not seem that the potential market for Canadian wheat in the Belgian Congo would exceed 200 tons a year.

## FISH

Fresh fish is caught locally and also imported from Portuguese West Africa and the Union of South Africa. There is imported a moderate volume of dried, smoked and salted fish, chiefly codfish, which comes from the United Kingdom, packed in tins of five kilograms which are sold retail at 30 francs. In addition some casks of dried codfish have been imported from Newfoundland. There is also a demand for herrings, the main supplying countries being the United Kingdom and formerly Belgium.

Canned fish, such as sardines, salmon, herrings in tomato sauce, and lobster, has a well-established market in the Congo. Portugal has obtained the bulk of the sardine business, as Portuguese exporters have quoted very competitive rates. There is a good demand for quality salmon, which is preferred by the better-class consumers, and Libby's Red Salmon is the best selling brand. Japanese chums and pinks are the largest sellers among the cheaper grades.

Total imports of tinned and preserved fish into the Belgian Congo were valued at 3,437,832 francs (about \$86,922) in 1939, 5,267,207 francs (\$123,175) in 1938, and 9,566,327 francs (\$241,875) in 1937. If Canadian firms are able to supply there are definite prospects of obtaining business at the present time in Canadian salmon, sardines, and herrings in tomato sauce, while the potential market for dried codfish and herrings deserves investigation.

## PAPER

Paper imports amounted to 632,969 kilos valued at 3,754,707 francs (about \$94,936) in 1939, representing a considerable decline from 703,774 kilos valued at 5,074,590 francs (about \$128,302) in 1938, and 775,674 kilos at 5,227,153 francs (\$132,160) in 1937. The bulk of the imports covered by these figures consisted of newsprint, kraft wrapping paper, paper bags, cardboard and general stationery lines. There are no roller presses so that newsprint is required in reams of 500 sheets. One newsprint inquiry received recently was for sheets 77 centimetres by 55 centimetres of a maximum weight not exceeding 55 grams.

The Congo's paper imports were obtained in the past from European countries. If Canadian paper exporters have sufficient stocks available to attend to any orders received, they should be able to develop some trade.

## CANNED FOODSTUFFS

There is no domestic canning industry in the Belgian Congo and, although locally grown fresh vegetables and fruits are available for the greater part of the year, there is a considerable market for imported canned fruits, vegetables and soups, and canned and bottled jams.

Conditions in this particular trade at present are very competitive as supplies are being received regularly from the Union of South Africa and the United States. The items mainly in demand are small green peas, dried carrots, green beans, tomato puree, whole cauliflowers, tomato juice, canned fruits, soups and jams.

Imports of preserved vegetables were valued at 1,466,564 francs (\$37,077) in 1939, 2,426,843 francs (\$61,356) in 1938, and 3,080,891 francs (\$77,897) in 1937. Canned fruit and jam imports amounted in value to 1,947,059 francs (\$49,226) in 1939 as compared with 3,007,317 francs (\$76,037) in 1938 and 2,281,094 francs (\$57,672) in 1937.

## MINING EQUIPMENT AND SUPPLIES

There are no separate figures showing the volume of imports for the mines, but supplies for this industry constitute a large percentage of the Colony's total imports.

The Union du Haut Katanga, the largest mining company in the Congo, which controls the entire copper production, has a modern machine shop at Jadotville. At this plant the company is now manufacturing a large proportion of its steel and cast iron mining spares and replacement parts. It has not as yet produced alloy parts, such as manganese, but has been experimenting in this field. It is not profitable for it to manufacture new machinery, so there is always a demand for initial installations.

The type of equipment purchased by the copper, tin and gold mines includes all the essential machines, tools and electrical equipment usually required by mines of this nature, and is too large to be included in a general report. The market offered by the Congo mines is of sufficient importance to warrant special attention.

#### MISCELLANEOUS PRODUCTS

In addition to the products mentioned, there are imported into the Congo in fair volume many commodities that are normally exported from Canada to overseas markets. Since they are exported, it may be assumed that these Canadian goods are eminently satisfactory and should also sell in the Belgian Congo.

These commodities include butter, salt, powdered and condensed milk, lingerie, canvas shoes with rubber soles, agricultural machinery, shovels, hoes and picks, tools, bolts, nuts, rivets, nails, rubber tires, paints and varnishes. Present conditions present, perhaps, the most favourable opportunity yet offered for extending Canadian exports to the Congo. Canadian firms not already doing business in the Congo market and desirous of making a start are invited to send samples, literature and prices to the Canadian Trade Commissioner, at Johannesburg, South Africa.

### TRADING WITH THE BELGIAN CONGO

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, November 21, 1940.—The natural resources of the Belgian Congo have undergone sufficient development over the past twenty-five years to provide a fairly reliable basis for estimating the Colony's future prospects. The country possesses vast mineral, agricultural and forest wealth, and much greater expansion in all these three fields of economic development can be forecast. The natural resources are being husbanded carefully and, due to capable supervision, harmful boom conditions are not likely to result. The Colony has followed a rigid immigration policy, in order to forestall a wholesale influx of Europeans.

Due to its equatorial location and the resultant enervating climate, there must always be certain natural obstacles to widespread European immigration into the Belgian Congo. Modern methods of transportation and increased medical knowledge have, however, combined to enable settlement in areas which until recent years would have been considered more or less inaccessible. In certain parts of the Congo, mainly because of their high altitude, living conditions are pleasant and healthful; other low-lying portions, particularly those in the vicinity of the Congo and other rivers, leave much to be desired. On the whole, however, climatic conditions are not unfavourable for Europeans.

Prior to the outbreak of the present war, the Congo's external trade was carried on very largely with Belgium. In addition, practically all of the commercial firms in the Belgian Congo had their head offices either in Brussels or Antwerp, and trading policies were dictated from these centres. The confusion in commercial trading which followed immediately after the invasion



of Belgium was, therefore, inevitable. Since June a noticeable improvement in economic conditions has taken place, and business is proceeding in a satisfactory manner.

The normal external trade of the Congo is not large. However, because of the potential future prospects for increased trade, Canadian exporters would be well advised to give this market their attention. At the present moment importers in the Congo are in the market for all types of manufactured commodities, and exporters are seeking new markets, mainly for agricultural products. The products of Canada and of the Congo are not competitive, other than in the mineral field, and prospects for developing reciprocal direct trade are favourable. The following information has, therefore, been prepared with a view to providing up-to-date general information on the Belgian Congo.

### GEOGRAPHY AND CLIMATE

The Belgian Congo forms a part of the African sub-continent, although this term is more correctly used to describe that part of the continent of Africa south of the equator, and roughly one-fourth of the Congo lies north of the equator. The Colony is bounded on the north by French Equatorial Africa and the Anglo-Egyptian Sudan, and on the east by Uganda, Tanganyika and Northern Rhodesia. To the south lie Northern Rhodesia and Angola or Portuguese West Africa, and on the west, Angola, the Atlantic Ocean, Cabinda (Portuguese West Africa), and French Equatorial Africa. The land area lies between latitude 5° north of the equator and latitude 14° south of the equator.

The climate is generally equatorial and tropical, although on the high plateaus to the south and east it can be classified as sub-tropical. The country is well served with rivers, the largest being the Congo and the Kasai, which are navigable by shallow-draft river-boats for long distances. The rainfall varies according to districts, and there is a more than adequate supply in that part of the Congo devoted chiefly to agriculture.

### AREA, POPULATION, AND PRINCIPAL CENTRES

The total area of the Belgian Congo, including the mandated territory of Ruanda-Urundi, is 2,385,000 square kilometres, or nearly 1,490,625 square miles. The Congo is divided into six provinces, which, with their European populations, are as follows: Leopoldville (6,519), Elisabethville (8,980), Stanleyville (5,231), Costermansville (2,624), Lusambo (2,325), Coquilhatville (2,112).

The total European population at the end of 1938 was 27,791. This number has since increased and is now close to 30,000. The total native population at the end of 1938 was estimated at 10,000,000.

The principal centres are Leopoldville, the capital (European population 2,841 at the end of 1938), Elisabethville (4,023), Jadotville (2,695), and Stanleyville (836). Each of the provinces has its own administrative offices, subject to control from Leopoldville. Full legislative and administrative powers are vested in the Administrator General of the Colony (Belgian Minister of Colonies), at present in London, and in the Governor General resident in the Congo.

### TRANSPORTATION

The question of transportation presents a serious problem in a country such as the Belgian Congo where the European population is limited and distances between urban centres, with only small white populations, are so great. By utilizing navigable rivers and lakes conveniently available in close proximity to mining and other enterprises, the Congo has now a satisfactory transportation



system for commercial purposes. In addition a regular commercial air service, chiefly for passenger traffic, is operated by Sabena Air Lines and connects the main centres.

The government-owned Office des Transports Coloniaux (Otraco) operates all river steamships on the Congo and Kasai Rivers, and also the railways connecting the port of Matadi with Leopoldville.

La Compagnie du Chemin de Fer du Bas, Katanga (B.C.K.) operates rail services between Sakania, on the Northern Rhodesia border, and Bukama, and also from Tenke to Dilolo, joining up with the Benguela Railways to Lobito Bay in Angola.

Two other transport companies, la Compagnie des Chemins de Fer du Congo Supérieur aux Grands Lacs Africains and la Vici Congo, provide rail and road transport connecting with the great lakes Tanganyika and Kivu and the gold mining area in the North-Eastern Congo.

At the beginning of 1939 there were approximately 5,000 kilometres (about 3,125 miles) of rail in use in the Colony. In all about 12,000 kilometres (7,500 miles) of the Congo and its tributaries are navigable, 9,139 kilometres (5,710 miles) by barges of 200 to 350 tons and 2,645 kilometres (1,655 miles) by barges of 800 to 1,200 tons.

#### LOCAL INDUSTRIES

Mining leads all other industries by a substantial margin. Copper is the principal mineral produced, exports amounting to 158,000 metric tons (of 2,204 pounds) in 1937 as compared with 122,000 tons in 1938. In 1939 copper was being exported at a rate of 9,500 tons per month, a total for the year of 114,000 tons. The 1939 figure represents roughly 60 per cent of the production capacity. Gold is second in importance, production being estimated at 16 tons in 1939 as against 15 tons in the previous year. The Congo's tin quota has been increased from 14,000 to 18,000 tons per year. Other important mineral products are industrial diamonds, lead, manganese, cobalt, silver, platinum, radium, and zinc.

The agricultural industry is important, as a high percentage of the native population is dependent on agriculture for their livelihood. Cotton is the main crop, exports amounting to 34,600 tons in 1939 and 42,000 tons in 1938. Palm oil follows cotton among agricultural products, exports of this commodity amounting to 67,400 tons and 67,900 tons in 1939 and 1938, respectively. Palm kernels are next in order of importance, the Congo's exports amounting to 83,000 tons in 1939 as compared with 88,000 tons in 1938. Copal, peanuts, fibres, sugar, coffee and bananas are a few of the other important agricultural products.

The Colony is now manufacturing candles, soap, edible oil, mealie meal, sugar, flour and beer, and in addition there is a modern cotton spinning mill located at Leopoldville which employs 1,500 natives and 30 to 40 Europeans.

Shipbuilding repairs and construction, machine shop and foundry work are carried on, while mining spares and wooden handles are also manufactured. In addition there is a certain amount of cattle ranching, particularly in the Elisabethville and Lusambo Provinces where the packing-house industry is established.

The present war has had the effect of increasing activity in local industries in order to ensure a sufficient supply of foodstuffs and other essentials. The scope for manufacture is restricted, so that widespread development in this direction is not likely to take place for some time.

#### EXTERNAL TRADE

The external trade of the Belgian Congo consists of an exchange of raw materials and semi-manufactured products for manufactured goods and food-

stuffs. The chief items of export are minerals: copper, gold, tin, diamonds (mainly industrial), lead, and smaller quantities of manganese, cobalt, silver, platinum, radium and zinc. Minerals make up more than 65 per cent of the total exports. Equatorial products comprise the bulk of the remainder, the main commodities being cotton, palm oil, palm kernels, copal, raw rubber, peanuts, fibre (similar to jute), sugar, and coffee. In addition there is a steady volume of timber exported to contiguous countries.

In 1938 more than 80 per cent of Belgian Congo exports were consigned to Belgium, and this figure may be regarded as average for previous years. The entire total was not used in Belgium, as considerable quantities of Congo products were re-exported to other countries. Other important direct markets for Congo exports were Germany, Italy, the United States and the Union of South Africa.

Mining supplies and equipment, vehicles, petroleum products, cotton piece-goods, machinery, hardware and tools are some of the items imported into the Colony in large volume. The bulk of the demand is for manufactured goods, as the Congo is not industrialized to any appreciable extent. Foodstuff imports have declined steadily in value, as the country is now in a position to produce a large proportion of its essential food requirements.

Belgium supplied 48·3 per cent of the total imports of the Congo in 1938, or more than four times the total forthcoming from Japan, which was second on the list of suppliers. The United States, the United Kingdom and Germany followed in order of importance. The position will, in all likelihood, show a radical change for 1940, the United States and the Union of South Africa being expected to record substantial gains.

Import and export totals for the calendar years 1935 to 1938 are shown in the following table:—

	Exports Francs	Imports Francs
1938 . . . . .	1,897,154,000	1,126,536,000
1937 . . . . .	2,486,995,000	1,258,975,000
1936 . . . . .	1,489,581,000	724,792,000
1935 . . . . .	1,202,943,000	524,592,000

#### DISTRIBUTION

For external purchases Belgian Congo firms have adopted the policy of dealing direct with exporters on an exclusive distributing basis. This applies to the mining industry, with the exclusive condition deleted, as well as to commercial organizations, although the mines do buy some essential supplies from resident wholesalers. As a result there are no companies of importance acting solely as manufacturers' representatives or commission agents. As a general practice, business firms combine the functions of importers, exporters, wholesalers, retailers and agents. This system does not always work out satisfactorily for overseas exporters, whose sales, as a result, are in some cases confined to one account.

Alternatively this system has its definite advantages, as orders from the larger Congo firms, and there are a number of these with a high standing, amount to a fair volume, and payment is readily forthcoming, if required, before shipment. If a product is in sufficient demand, importers will not hesitate to place indents with the exclusive distributors.

The chief trading centres are Leopoldville and Elisabethville; Coquilhatville, Stanleyville and Costermansville are of lesser importance. Head offices are located in Leopoldville and/or Elisabethville.

The territory comprising the Leopoldville, Coquilhatville and Stanleyville provinces is worked usually by firms in Leopoldville who maintain branches at

all important points. The remainder of the Congo, i.e. the Elisabethville, Lusambo and Costermansville provinces, are usually handled by commercial organizations with headquarters at Elisabethville.

These arrangements are, of course, subject to exceptions, as certain firms have direct facilities for working the entire Colony. As a general rule, however, separate distributors should be appointed at Leopoldville and Elisabethville, in order to ensure that the entire market is covered.

Most Belgian Congo firms have lengthy names, for example, *Compagnie Generale de Produits Chimiques et Pharmaceutiques du Congo*. This firm is known throughout the Colony by the abbreviated name, "Cophaco," the full title being seldom used. The same procedure is adopted by many others, and it is therefore sufficient to address commercial houses by their short titles (usually their cable addresses).

#### TARIFFS

The tariff of the Belgian Congo is not extensive, as it consists of a single column and contains only 94 items. Duties are calculated on both an ad valorem and specific basis; the ad valorem rate ranges from 5 to 30 per cent, the most common rate being 15 per cent. Ad valorem duties are assessed on the c.i.f. value, viz.: usual market value of the product in the country of origin plus all charges, including freight, insurance, packing, etc., up to the time of arrival of the product at a Congo customs port.

Under the Congo Basin Treaty, by which the Belgian Congo is bound, imports from all countries are subject to the same rates of duty.

#### DOCUMENTATION

No special documents are required for shipments from Canada to the Belgian Congo, nor is it necessary to have invoices certified by a Belgian consulate. Ordinary commercial or customs invoices may accordingly be used to cover shipments to the Colony.

#### PAYMENTS AND FOREIGN EXCHANGE REGULATIONS

Temporary arrangements have been concluded which permit Belgian Congo importers to pay in sterling for any Canadian products they buy. This facility met with general approval, as the Congo has accumulated sterling balances which can be utilized in payment for Canadian products. The majority of importers are able to conduct transactions in sterling much more conveniently than in other foreign currencies, although in some cases United States dollar balances are still available.

The rate of the Belgian Congo franc was established at 176.62 francs to the pound sterling, by agreement in June, 1940.

The *Banque du Congo Belge* acts as a reserve bank having the right of note issue, and all currencies derived from exports must be sold to it. Likewise, under existing regulations, permission from this bank, as agents for the Government, must be obtained before currency can be sent out of the country. In practice the bank is now allocating foreign currencies for normal imports only and for payment of loans and civil indebtedness.

#### LANGUAGE

French, and to a much lesser degree, the Flemish languages are spoken, but almost without exception business correspondence and transactions are carried on in French. English is also used. It is, however, desirable that labels, packages, instructions and the like be printed in French, and that correspondence



also be conducted in that language. The use of French on articles and packages and in any instructions or notices which may accompany articles is regarded as an additional advertisement of considerable value.

### ROUTING OF SHIPMENTS

Importers throughout the Colony, excluding those in the Costermansville area, prefer to have shipments made direct to Matadi. For Costermansville and adjoining territory, where gold and tin mining are carried on, shipments are usually consigned to Dar-es-Salaam, Tanganyika territory; thence by Tanganyika railways to Kigoma on Lake Tanganyika and by lake steamers to Kalundu or Albertville. Facilities for clearing goods for the Congo without bonding are available at Dar-es-Salaam.

Considerable traffic to and from the Congo, particularly the Katanga area, is routed via Lobito Bay (Angola), and Beira (Portuguese East Africa). From Lobito Bay, goods are carried by the Benguela Railways to the Congo border, and from Beira by the Rhodesian Railways. There is a direct service to Beira from Canada, once a month or more frequently, operated by the Elder Dempster Lines, 133 Board of Trade Building, Montreal. Sailings are from Montreal in summer and from West Saint John, New Brunswick, in winter. This line is also occasionally able to take goods for Dar-es-Salaam.

There are regular sailings to Matadi from New York. This service is operated by the American-West African Line, Inc., whose agents are the Barber Steamship Lines, Inc., 17 Battery Place, New York City. The harbour at the Port of Matadi can be reached by vessels having a draft of 23 feet. Owing to swift currents on the Congo River, boats must have a speed of 11 knots at certain seasons of the year, namely December, January and February, while 9 to 10 knots will suffice for the remaining months.

Cold storage facilities are available at Matadi, but the regular boats calling are not all similarly equipped.

## MEXICAN MARKET FOR AGRICULTURAL MACHINERY

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One Mexican peso equals approximately 22½ cents Canadian)

Mexico City, December 14, 1940.—The mechanization of Mexican agriculture began after 1920. Although the use of agricultural machinery is still not extensive and the change in the traditional methods of cultivation is slow, some progress can be noted in both directions.

There are certain natural disadvantages in the use of machinery on a large scale in Mexico. The rough surface of the land and the variety of climatic conditions in many cases make difficult the employment of specialized cultivation that might make the use of complicated machinery profitable. However, the necessity for many indispensable agricultural implements in Mexico offers great possibilities for their sale.

Until the end of the nineteenth century Mexican methods of cultivation showed little improvement over those in use during colonial times. The share plough began to be used around 1900. Other simple implements such as the sower, cultivator, iron drag, reaper, etc., came into use later; the tractor came only a few years ago.

The importation of agricultural machinery, as affecting Mexican agriculture, may be said to have begun after 1920, when the policy for national agriculture began to take shape.

Some of the most important factors contributing to the transformation of Mexican agriculture, and especially to the wider use of primary agricultural



implements, were the following: the change of the rural regime into the "ejido" (small-landed property for cultivation); the big irrigation works begun in 1926; the construction of highways; the establishment of specialized agricultural credit institutions; and, at one time, the official purchase of quantities of agricultural machinery, which was sold to or distributed free of cost among the farmers.

CENSUS OF AGRICULTURAL IMPLEMENTS

The first inventory of the agricultural implements in use in Mexico was the agricultural census taken in 1930, which showed that in May of that year the following were on hand: 903,788 ploughs, 22,415 sowers, 8,287 reapers, 4,220 threshers, 1,505 shredders, 106,163 carts and wagons, 4,220 trucks, 3,875 tractors, and 8,554 locomobiles. The total value of the agricultural implements and tools was estimated at almost 71 million pesos, of which 85 per cent was accounted for by ploughs. Of these, 19 per cent belonged to the "ejidos." At this time it was estimated that there were 62 ploughs to each 1,000 hectares (2,470 acres) of land under cultivation, or 1 plough to each 16 hectares (39.52 acres).

The greater number of these implements was found in the Central states, principally in Puebla, where almost 90,000 were in use. The sowers, reapers, threshers, and other heavy machinery were naturally found in those states which specialize in the cultivation of cotton, rice, wheat, etc., that is, the States of Chihuahua, Coahuila, Durango, Sonora and Sinaloa. It is in these districts that machinery is found to be a good substitute or help for manual labour because of the size of the specialized zones and the condition of the soil.

This census also revealed the fact that for each 100 pesos of capital invested in agriculture, 55.47 is represented by cattle, 38.84 by implements, 4.63 by working expenses and only 1.06 by machinery. The paucity of Mexican agricultural equipment can be appreciated when it is considered that in the State of Iowa, United States, for example, the investment in machinery is estimated at \$45.57 per hectare. The Mexican situation previous to 1920 was undoubtedly even less favourable.

IMPORTS

Imports of agricultural machinery during the last decade were not higher than during the period from 1920 to 1930, although they increased considerably in 1936 and 1937, due to purchases by the agricultural banks.

According to official information, the importation of the most representative agricultural equipment (based on customs tariff classifications) during the years 1935 to 1939 was as follows:—

Mexican Imports of Agricultural Machinery by Value

	1935	1936	1937	1938	1939
	Values in Pesos				
Total . . . . .	8,204,194	9,302,549	10,719,702	5,588,450	7,693,925
Ploughs . . . . .	1,654,809	1,658,219	1,658,408	669,752	761,541
Machines . . . . .	693,809	937,012	785,085	613,884	1,504,007
Apparatus . . . . .	831,970	959,729	1,376,510	748,240	581,079
Tools . . . . .	2,176,760	2,542,301	2,425,823	1,954,540	2,250,083
Tractors . . . . .	2,846,846	3,205,288	4,473,876	1,602,025	2,597,215

Mexican Imports of Agricultural Machinery by Volume

	1935	1936	1937	1938	1939
	Quantities in Tons				
Ploughs . . . . .	2,361	2,377	42,003*	13,622*	11,889*
Machines . . . . .	728	936	6,022*	2,179*	1,848*
Apparatus . . . . .	933	1,077	1,368	564	530
Tools . . . . .	1,964	2,175	2,058	1,373	986
Tractors . . . . .	581*	631*	848*	278*	503*

\* Pieces.

Of these purchases, 90 per cent came from the United States and the remainder from Germany and other European countries.

The heavy imports from 1935 to 1937 are due to the large investments made by the Banco Nacional de Crédito Ejidal y Agrícola (Agricultural Bank), which acquired quantities of tractors, ploughs and various items of machinery for use in the new agricultural schemes in the Yaqui Valley, at La Laguna, and in other parts of the Republic.

During 1936 the Banco Ejidal alone purchased machinery valued at more than two million pesos, apart from the investments in machinery for the Laguna region. In the same year it acquired 17,320 share ploughs valued at approximately 433,000 pesos, 204 disk ploughs valued at 40,800 pesos, 2,172 cultivators, 1,373 carts and wagons, 669 sowers, 332 rakes, 186 disk rakes, 119 tractors, 117 threshers, and a large quantity of other implements. During 1937 the bank imported even larger quantities. In addition, the Banco de Crédito Agrícola acquired in 1936 ploughs, tractors, threshers, and other machinery to a value of almost 1,250,000 pesos.

### DOMESTIC PRODUCTION

Up to the present, Mexico has depended almost entirely on other countries for the mechanization of its agriculture, and this situation is likely to prevail for several more years.

The industrial census of 1935 recorded five factories manufacturing machinery and agricultural implements in the Federal District besides two in Monterrey and one in Puebla. The national production consists of different types of ploughs, cultivators, small threshers, choppers, fodder packers, shovels, spades, etc. The only articles in which domestic manufacturers have shown interest are one-share ploughs for animal traction, choppers, shovels, wheelbarrows, pulleys, and whiffletrees. Heavy machinery has been produced on a small scale only and irregularly, as it has not been profitable.

The industrial census of 1935 shows a national production of 6,160 ploughs. This has increased in latter years, as alone the Co-operativa Mecánico-Industrial, which supplies the Banco Obrero (workers' bank), has been producing more than 4,000 ploughs annually.

Two types of ploughs are produced: those used for soft soil, made of melted iron; and those for hard soil, of forged steel. There is a great variety of types and qualities among these two kinds, but it is a characteristic of national production that these ploughs are very simple.

The manufacture of implements in Mexico presents two principal difficulties: the small demand, and the lack of raw materials. Certain qualities of steel, required for some parts of highly efficient ploughs, are not yet made in Mexico and have to be imported. The manufacture of agricultural machinery is even more problematical, as almost all the raw materials would have to be imported. The only ones that are profitably made are threshers.

The Government is interested in the establishment of this industry in Mexico and has recently decided to encourage the manufacture of ploughs and other simple machinery by granting financial help in various forms to a co-operative formed by the workers of the Fundición Nacional de Artillería, who are producing one-share ploughs and animal-traction ploughs. This organization has received help from various credit institutions, principally the Banco Nacional Obrero de Fomento Industrial.

The Mecánico Industrial has formulated a plan for the manufacture of ploughs and agricultural machinery, based on national consumption. Average monthly importations are estimated at 2,000; these could be largely manufactured locally.

Agricultural equipment for Mexico has to be adapted to the type of soil and local methods. At times the imported implements are not entirely satisfactory, unless they are adapted to Mexican conditions. In 1938 experiments were made at La Laguna with a German plough especially manufactured for this region and the results obtained were very favourable. The trade affirms that North American machinery is the best adapted to Mexican needs. On the other hand, Germany was first in the small type of machinery. Some 60 per cent of the 20 to 100 h.p. motors used in Mexico were imported from that country.

Agriculture has always been the neglected industry in Mexican economic development. While capital has been poured into mining, agriculture has been consistently neglected financially despite agrarian reform. With the development of agriculture the market for tools and machinery would become far more extensive than it is at present.

#### VARIETY OF CROPS

In order to appreciate the possibilities of the market for agricultural implements and machinery in Mexico, consideration must be given to the principal crops produced. During the pre-Spanish period of Mexican agriculture, the implements used were the spade, or hoe, and a basket, and the most important product cultivated was maize. Following are the crops which are now cultivated in this country:—

*Cotton*.—Cotton was always cultivated in Mexico. Cotton spinning was carried on by the natives during the primitive period of civilization. The "conquistadores" were much amused at the quilted cotton armour of the natives, although they subsequently adopted it. Mexico may in time produce cotton on an exportable basis.

*Sugar Cane*.—This was first introduced into Mexico by the Spaniards. Mexico is considered an ideal country for the cultivation of sugar cane, but lacks capital and organization.

*Coffee* was introduced into Mexico in 1790. Fair qualities are produced in certain centres.

*Chocolate* is an indigenous product, principally cultivated by the natives.

*Maize*.—This is the principal food product for the majority of the Mexican people and has always been their largest crop.

*Wheat*.—Although a certain quantity of wheat is grown in the colder, temperate land of the plateau, irrigation is often necessary.

*Fibres*.—Henequen, or sisal hemp, is one of the principal agricultural products of Mexico.

*Pulque*.—This is the national beverage of the lower classes and is made from maguey.

*Indian Rubber*.—The *Castilloa elastica* is indigenous to Mexico. It is frequently found in large tropical areas, and guayule plantations are profitable.

Mexico's principal cultivated crops are corn, wheat, beans, rice, cotton, tobacco, alfalfa, rye, barley, and oats. Acreage production in 1938, the last year for which figures are available, was: wheat, 501,623 hectares, 324,927,205 kilos; corn, 3,070,878 hectares, 1,692,666,002 kilos; rice, 39,403 hectares, 80,118,926 kilos; beans, 596,459 hectares, 105,499,105 kilos; tobacco, 20,901 hectares, 18,925,083 kilos; coffee, 111,048 hectares, 41,331,018 kilos; alfalfa, 38,452 hectares, 1,540,324 kilos.



Mexico therefore has a variety of economic crops which, if developed along modern lines, would require the use of a fairly large quantity of agricultural machinery. The principal purchaser of agricultural equipment is the Government, under the "ejido" system (peon land proprietorship).

#### EJIDAL CREDIT BANK'S PURCHASES

Following is a summary of the purchases of agricultural machinery and implements during 1939 by the Banco Nacional de Crédito Ejidal, which handles purchases by the Government:—

Units	Equipment	Value in Pesos
1,294	Ploughs . . . . .	289,288.18
89	Tractors . . . . .	800,329.16
73	Cultivators . . . . .	9,765.45
187	Planters . . . . .	89,335.98
26	Threshers . . . . .	222,637.90
225	Harrows . . . . .	121,376.58
Total value . . . . .		1,543,733.25

At the end of 1939 this bank had in general use the following machinery: sugar mills, 492; threshers, 414; ploughs, 188,744 (including wooden models); pumping equipment, 746; engines, 110; tractors, 935; cultivators, 22,061; trucks, 465.

#### PLOUGHS

The primitive wooden stick plough was replaced in Mexico by modern ploughs about 1905. The American Avery plough became established in the market. A mark once established among Central American natives is hard to dislodge, being somewhat similar to a "chop" among the Chinese. The Mexican Government, realizing that a large import business was being developed, arranged that ploughs be manufactured locally. The principal manufacturer in Mexico of agricultural equipment is the Co-operativa Mecanico-Industrial, which during 1939 manufactured 10,000 eight- and ten-inch walking ploughs. At the beginning of 1940 this company had a stock of around 25,000 ploughs on hand. It has a priority in selling its products to the Banco Nacional de Crédito Ejidal.

Locally produced ploughs are not of the best quality, and the better type of plough is still imported. The following table shows the imports of ploughs of all kinds weighing up to 150 kilos and more than 150 kilos in 1938 and the first six months of 1939:—

#### *Mexican Imports of Ploughs*

	1938		Jan.-June, 1939	
	Units	Pesos	Units	Pesos
Weighing up to 150 kilos—				
United States . . . . .	12,759	386,935	5,197	197,297
Germany . . . . .	13	694	41	7,149
	12,772	387,629	5,238	204,446
Weighing more than 150 kilos—				
United States . . . . .	836	271,963	260	110,284
Germany . . . . .	14	10,160	2	576
Canada . . . . .	.....	.....	6	6,498
	850	282,123	268	117,358

Plough parts for foreign-made ploughs are also imported. The following table shows the imports in 1938 and the first six months of 1939:—



*Mexican Imports of Plough Parts*

	1938		Jan.-June, 1939	
	Kilos	Pesos	Kilos	Pesos
United States . . . . .	128,008	124,105	97,379	87,089
Germany . . . . .	667	531	1,008	1,069
Great Britain . . . . .	.....	.....	350	351
Canada . . . . .	.....	.....	242	165
	128,675	124,636	98,979	88,674

**TRACTORS**

It is estimated that approximately 80 per cent of the dollar value of the Mexican agricultural machinery market is represented by tractors. The 30 h.p. tracklaying type is the most popular, although there is a demand also for the wheel type. What is wanted for this market is a cheap tractor, and it should be handled direct through Mexican agents and not through United States agents in Texas. Imports of tractors for 1938 and the first half of 1939 were as follows:—

*Mexican Imports of Tractors*

	1938		Jan.-June, 1939	
	Units	Pesos	Units	Pesos
United States . . . . .	270	1,566,705	112	1,050,767
Great Britain . . . . .	6	11,200	7	16,268
British Honduras . . . . .	2	24,120	...	.....
	278	1,602,025	219	1,067,035

The tractor has, of course, to compete in Mexico with native labour and oxen but, owing to the widespread use of the automobile a preference for gasoline engines has spread even to the farms in remote districts. There are, however, certain difficulties affecting the general use of tractors in Mexico and therefore their sale. In certain parts of the country ploughing has to be done during the first days of the rainy season (in June), as at other times the ground is too hard. In certain areas the top soil then becomes so soft that tractors have difficulty in gripping the hard under-surface; the wheel type will race. In the irrigated areas tractors are most successfully used, also in the northern parts of the country, along the United States border, since the natives there have been accustomed to working in the United States and to using machines.

**OTHER MACHINERY**

All the binders imported into Mexico are of United States origin. Prior to the outbreak of war Germany was invading the harvester market. The seed drills and threshing machines are practically 100 per cent American. The following tables show the importation of binders, harvesters, seed drills and threshing machines into Mexico in 1938 and the first half of 1939:—

*Mexican Imports of Other Machinery*

	1938		Jan.-June, 1939	
	Units	Pesos	Units	Pesos
Binders—				
United States . . . . .	49	65,526	11	3,960
Harvesters—				
United States . . . . .	756	123,494	276	35,297
Germany . . . . .	81	1,994	22	300
France . . . . .	9	150	...	.....
	846	125,638	298	35,597
Seed drills—				
United States . . . . .	850	156,852	341	132,227
Germany . . . . .	6	496	...	.....
	856	157,348	341	132,227
Threshing machines—				
United States . . . . .	75	237,882	261	1,004,797

Disk harrows are used frequently in banana and coconut cultivation but, in order that it may sell in this area, a disk harrow must be easy to turn, as the lanes are very narrow.

#### SALES OPPORTUNITIES FOR CANADIAN PRODUCTS

The tractor is the key pin in the agricultural machinery trade, sales of other machinery being grouped around it. Without the tractor there is always difficulty in obtaining agents in Mexico.

Canadian prices for ploughs are competitive, but the spirit of nationalism favours purchases of domestic products, and it is with this factor that the Canadian salesman has to contend in Mexico as in other countries. Ridging ploughs are used in the sugar-cane industry. Those in demand in Mexico are the 7-, 8-, 9- and 10-inch sizes, the plough most in demand being the 9-inch size.

Binders are sold chiefly on the western coast for cutting rice and wheat, and seeders are sold for the wheat crop. The demand for drills in Mexico is small, but planters for corn and cotton are in wide use. Scufflers of 5 and 7 points for one mule are also in use.

There are at present in Mexico two colonies of some 19,000 Mennonites who came from Canada. They are located in two areas in two different states, Durango and Chihuahua. As these farmers have had experience in Canada with Canadian machinery, an opportunity is afforded Canadian manufacturers of agricultural machinery to undertake a direct sales campaign among their leaders.

#### FOREIGN TRADE OF BRAZIL IN 1939

L. S. GLASS, CANADIAN TRADE COMMISSIONER

(Unless otherwise indicated, quantities are in metric tons of 2,204 pounds; during 1939 one conto (1,000 milreis) was approximately equal to \$51.61, or one milreis to approximately 5.16 cents.)

Rio de Janeiro, November 28, 1940.—Brazil's international trade during the greater part of 1939 showed a decided improvement over that of the previous year. With the exception of three of the first four months, there were favourable balances until the month of December, when a heavy adverse balance occurred. This was probably a direct result of war conditions, from which November's trade also suffered. With the continuation of war in Europe, there must of necessity continue to be a dislocation of Brazilian trade. Therefore a comparison between 1939 conditions and those of 1940 or succeeding years will have but little significance. Since the European conflict had not so much affected as it had dislocated Brazilian trade by the end of 1939, the figures in this report give little indication of the effect of the war on Brazilian trade.

The general improvement mentioned above is shown by the volume of imports and exports for the year. Imports again decreased, whereas exports increased, as indicated in the following table:—

	Imports Tons	Exports Tons
1932 . . . . .	3,254,398	1,632,265
1933 . . . . .	3,837,526	1,910,772
1934 . . . . .	3,845,718	2,184,782
1935 . . . . .	4,229,305	2,761,517
1936 . . . . .	4,467,630	3,108,727
1937 . . . . .	5,099,880	3,296,345
1938 . . . . .	4,913,170	3,933,870
1939 . . . . .	4,874,423	4,182,842

## AVERAGE PRICES PER TON

In 1939 the milreis value of both imports and exports increased, although in the former the increase was small, being only 3 milreis, whereas exports increased by 48 milreis per ton. Import values per ton in 1939 were 1:041\$000 as against 1:038\$000 in 1938, and export values were 1:343\$000 in 1939 as against 1:295\$000 in 1938. Dollar values decreased in both categories from \$59 per ton to \$55 for imports, and from \$75 per ton to \$73 for exports. These decreases were considerably less than those recorded as between 1937 and 1938, and it is also significant that the export prices decreased to a lesser extent than the import prices.

Average prices per ton for exports in each of the past five years were as follows:—

	Average Price per Ton	
	Milreis	Dollars
1935 .....	1,486	98
1936 .....	1,575	103
1937 .....	1,545	105
1938 .....	1,295	75
1939 .....	1,343	73

## CURRENCY VALUES OF INTERNATIONAL TRADE

The total value of Brazil's foreign trade in terms of Brazilian currency showed an increase over the 1938 figure and, indeed, over 1937, the 1939 value being 10,554,151 contos as against 10,287,629 contos in 1938. Dollar values continued to decrease, and in 1939 the total was \$566,406,830 as against \$590,947,000 in 1938. The export value increased from \$295,558,000 to \$305,394,000, whereas that of imports decreased from \$295,388,000 to \$261,012,000. In other words, although there was a decrease in the actual total value of trade, this was entirely due to smaller import values, which tended to considerably improve Brazil's exchange position.

## BALANCE OF TRADE

The official figures for the balance of trade for 1939 show a surplus of \$44,382,000, which, although below the average favourable balance, was exceptionally good, in view of the fact that during the first four months there was an unfavourable balance of over \$2,000,000 and in December of over \$5,600,000. The gold balance was favourable to the extent of £5,497,000 as shown in the following table:—

	Balance in Contos	Balance in £ Gold
1930 .....	+ 563,649	+ 12,127,414
1931 .....	+ 1,517,230	+ 20,788,172
1932 .....	+ 1,018,071	+ 14,885,297
1933 .....	+ 655,017	+ 7,658,169
1934 .....	+ 956,221	+ 9,772,305
1935 .....	+ 248,091	+ 5,580,734
1936 .....	+ 626,768	+ 9,003,523
1937 .....	— 222,492	+ 1,922,234
1938 .....	— 98,680	+ 28,759
1939 .....	+ 631,887	+ 5,497,184

## EXPORTS

Brazilian exports are divided into four classes: live animals, primary products, foodstuffs and manufactured goods.

In the first category exports decreased from 271 contos (\$15,000) in 1938 to 173 contos (\$9,400) in 1939.

Class II, raw materials, showed an increase from 1,910,589 contos (\$108,400,000) to 2,328,444 contos (\$126,400,000) in 1939. Tonnages of these commodities likewise increased from 1,550,000 tons to 1,848,000 tons. Twenty-one



items make up this category, and of this number all but four showed increases in export values as compared with 1938. Decreases occurred in exports of tallow, cotton seed, iron ore and raw wool. The most important increases occurred in the exports of hides and skins, rubber, carnauba wax, castor seed, babassú nuts, wood, and precious and semi-precious stones, while the most important increase was in the exports of raw cotton, which were valued at more than 50 per cent of that of coffee exports.

Foodstuffs, under Class III, also increased in value from 3,167,990 contos to 3,239,348 contos. On the other hand, however, the dollar value showed a decrease as compared with the previous year and with 1937. In 1938 the value was \$179,955,000 and in 1939 there was a decrease to \$175,800,000. This classification is made up of twenty-two commodities and groups of commodities, decreases being shown for manioc flour, coffee, dried beef, bran and shorts, and corn. Of these the greatest, and in fact only important, decrease was in the value of coffee exports, which fell from 2,296,000 contos (\$130,200,000) to 2,234,280 contos (\$121,350,000). The most important increases were in the exports of bananas, oranges, sugar, raw cocoa, chilled beef, canned beef, and lard.

Although Brazil has a well developed manufacturing industry, it has not yet reached the point where it is of particular value as regards exports. It is, however, growing, and export values more than doubled in 1939 as compared with 1938, and are five times what they were in 1935. The total value of manufactured goods exported in 1938 was 18,040 contos (\$1,240,000) as against 47,554 contos (\$2,580,000) in 1939.

### IMPORTS

Imports are divided similarly to exports into four classes: live animals, primary materials, foodstuffs, and manufactured goods. In each of these categories except live animals decreases were recorded in 1939 as compared with the previous year.

The value of imports of live animals increased from 21,254 contos (\$1,205,000) to 30,898 contos (\$1,676,000).

Including the miscellaneous group, the classification prime materials contains nineteen items. Of these, ten registered decreases and nine increases. Increases occurred in the imports of aluminium, dyes, copper, wool, yeast, fuel and diesel oil, lubrication oil, hides and skins, and miscellaneous. Actually these increases were small, except in the imports of copper, which increased from 8,451 tons in 1938 to 9,849 tons in 1939 with respective values of 43,746 contos (\$2,483,000) and 54,000 contos (\$2,930,000). Imports of fuel and diesel oil increased from 632,124 tons valued at 111,892 contos (\$6,341,000) to 724,441 tons valued at 124,809 contos (\$6,780,000).

There were decreases in cellulose acetate, cotton, coal and coke, cement, iron and steel, gasoline, jute, wood-pulp for the manufacture of paper, kerosene, and animal silk. The decrease in the imports of gasoline are more or less offset by the increase in fuel and diesel oil, which reflects the growing use of the heavier oil-consuming internal combustion engines. Various factors have tended to reduce coal imports. There is a growing use of local coal, as is the case of cement; the increased use of oil for fuel cuts down on general consumption, and the European war, besides disrupting Brazilian sources of supply, curtailed shipping and therefore reduced bunkerage business.

Foodstuffs decreased in both tonnage imported and in value. The reduction in value was from 817,663 contos (\$46,375,000) to 626,716 contos (\$34,000,000).

Including miscellaneous, nine groups make up the foodstuff classification, and there were increases in imports of only four: olives, beverages, fruit, and miscellaneous.

A slight increase was recorded in the value of beverages imported, from 34,455 contos (\$1,952,000) to 38,232 contos (\$2,075,000). Fruits increased in both quantity and value, from 23,837 tons valued at 58,317 contos (\$3,304,000) to 28,638 tons valued at 75,362 contos (\$4,090,000). There was a slight increase in the value of miscellaneous products imported.

There were decreases in the imports of olive oil from 43,989 contos (\$2,494,000) in 1938 to 33,421 contos (\$1,814,000) in 1939. Imports of dried fish, including codfish, increased in quantity from 15,347 tons in 1938 to 16,118 tons in 1939, although values decreased from 40,211 contos (\$2,281,000) to 39,931 contos (\$2,168,000). Malt and malt extracts decreased in both value and quantity, from 16,488 tons valued at 25,771 contos (\$1,462,000) to 12,565 tons valued at 17,040 contos (\$926,000). In view of the steps taken by the Brazilian Government to increase the use of locally produced wheat flour substitutes and flour milled from Brazilian wheat, a marked decrease occurred in imports of wheat flour. In 1938, a total of 42,982 tons valued at 33,632 contos (\$1,909,000) were imported as against 33,732 tons valued at 18,411 contos (\$999,000) in 1939. Similarly there was a considerable falling off in the imports of wheat, from 1,037,160 tons valued at 536,493 contos (\$30,450,000) in 1938 to 966,831 tons valued at 353,592 contos (\$19,200,000).

Total imports of manufactured goods decreased in value from 2,860,421 contos (\$162,500,000) to 2,837,674 contos (\$154,000,000) in 1939. Under this classification, including miscellaneous, there are fourteen commodities or commodity groups. Of these, six showed increases. Imports of motor cars of all kinds increased from 20,912 units valued at 244,881 contos (\$13,799,000) in 1938 to 21,748 units valued at 284,992 contos (\$15,450,000). A slight increase occurred in the imports of cotton textiles, from 9,906 contos (\$562,000) in 1938 to 12,534 contos (\$680,000), and iron and steel imports increased in both tonnage and value, from 180,782 tons valued at 377,354 contos (\$23,420,000) in 1938 to 237,353 tons valued at 442,131 contos (\$24,000,000) in 1939. The value and quantity of pneumatic tires and tubes increased, while chemical products, including industrial and pharmaceutical, increased in value from 235,011 contos (\$13,500,000) in 1938 to 290,814 contos (\$15,800,000) in 1939.

Among the decreases the most important were in vehicles other than motor cars, which decreased from 307,054 contos (\$17,410,000) in 1938 to 233,641 contos (\$12,670,000) in 1939. Imports of machinery and hardware decreased from 1,104,000 contos (\$58,600,000) in 1938 to 990,000 contos (\$54,800,000) in 1939. Decreases also took place in the imports of cotton manufactured goods, copper, wool, linen, china and glass, and paper.

#### NATIONS TRADING WITH BRAZIL

In 1939 France became the fifth most important purchaser of Brazilian exports instead of, as in 1938, fourth, "all South American countries" moving to fourth place. Japan and Argentina also changed places, Japan being in seventh position and Argentina in sixth. The United States continued to be Brazil's best market, followed by Germany and Great Britain. Canada continued to occupy eleventh position.

For the first time since 1935 Germany failed to occupy first position as an exporter to Brazil, having given way to the United States. South American countries generally continued to be the third most important shippers to Brazil, and the United Kingdom, in fourth position, changed places with Argentina, which in 1939 was in fifth position. Belgium followed, and Canada was in tenth position.



## TRADE WITH CANADA

(Note—Dollar values shown in parentheses are from Canadian trade statistics)

There was a slight increase in the total of Brazilian imports from Canada, from \$3,785,336 (\$3,521,000) in 1938 to \$3,878,000 (\$4,407,000) in 1939. Of the twenty-two products which represent the bulk of Canadian trade, increases in value occurred in the case of ten, while nine showed volume increases. Imports of raw lead increased from 2,996 tons valued at \$278,000 to 5,676 tons valued at \$480,000 in 1939. In 1938 144 tons of aluminium valued at \$60,687 were imported as against 321 tons valued at \$131,952 in 1939. Newsprint imports in 1938, according to Brazilian figures, were nil; Canadian figures indicated a value of \$1,094. However, in 1939, a total of 2,838 tons valued at \$176,549 were imported into Brazil (116,831 cwts. valued at \$257,559). Canadian apples imported into Brazil increased in volume from 783 tons in 1938 to 1,471 tons in 1939 and in value from \$107,817 (\$105,281) in 1938 to \$191,094 (\$98,979) in 1939. Other increases occurred in the imports of lumber (mainly Sitka spruce for boat building), wallboard, electric meters, ploughs, asbestos, and malt.

Brazilian exports to Canada also showed an increase, from a total in 1938 of \$909,000 (\$768,915) to \$1,030,000 (\$1,110,000) in 1939. These increases occurred in practically all the major items, mainly coffee, from a total value of \$493,700 (\$346,634) in 1938 to \$550,800 (\$523,978). There was also an increase in Canadian imports of oranges from Brazil, from \$27,600 in 1938 to \$54,560. A slight decrease in the value of Brazil nuts was recorded, from \$21,900 in 1938 to \$21,600, although volume increased from 182 tons to 191 tons. Exports of carnauba wax and hides and skins also showed an improvement, and for the first time Brazilian statistics record exports to Canada of 485 tons of raw cotton valued at \$91,600.

## TRADE WITH THE UNITED STATES

In 1939 a marked increase was shown in imports into Brazil from the United States, the total value being \$87,016,000 as against \$71,508,000 for the previous year and the average for the five years 1934-1938 of \$59,174,000. This is undoubtedly a reflection of the European situation, which caused many importers in Brazil to seek sources of supply in the United States in anticipation of war. In 1938, eighteen of the twenty-seven major commodities entering this trade showed decreases, whereas in 1939 the reductions were confined to ten commodities only. The most important of these decreases was in refrigerators, the value for which was reduced from \$1,237,000 in 1938 to \$1,146,000. Gasoline showed a reduction from \$3,416,000 in 1938 to \$2,916,000 in 1939. Kerosene imports also decreased in value from \$1,971,000 in 1938 to \$1,365,000, and mineral fuel oil and diesel oil decreased from \$1,005,000 to \$293,000. This decrease in oil purchases from the United States is largely the result of increased purchases from the Dutch West Indies, particularly in the case of fuel oil. Decreases were also shown in imports of barbed wire, radios, electric light machinery, agricultural machinery, machinery general, and flour of wheat.

The most important increases occurred in the imports of motor cars and trucks, from \$6,923,000 in 1938 to \$7,785,000; motor car accessories, from \$1,020,000 to \$1,287,000; and wire, other than barbed, from \$387,000 to \$577,000. There was a marked increase in the imports of tinplate, from \$1,820,000 in 1938 to \$4,182,000. Another increase occurred in the imports of rails, from \$959,000 in 1938 to \$1,505,000 in 1939, and iron and steel tubes increased



in value from \$487,000 to \$968,000. Imports of sewing machines increased from \$319,000 to \$435,000, shipments of apples and pears, from \$756,000 to \$879,000 and chassis for automobiles, from \$4,727,000 to \$5,283,000. Other noteworthy increases occurred in the imports of rubber tires, coal, and tools.

There was an increase also in United States purchases from Brazil, but this did not offset the decrease recorded in 1938. The total value for 1939 was \$110,500,000 as against \$99,180,000 in the preceding year. However, whereas in 1938 decreases occurred in all ten items making up this trade, only two showed decreases in 1939: raw cocoa and Brazil nuts. Coffee exports increased in value from \$63,690,000 in 1938 to \$69,600,000 in 1939, while in quantity the increase was considerably less, from 9,078,000 bags to 9,177,000 bags. Exports of hides and skins increased from 4,559 tons valued at \$568,000 in 1938 to 10,915 tons valued at \$1,622,000 in 1939. Raw cotton exports also increased from a total value of \$10,000 in 1938 to \$263,000 in 1939, raw rubber, from 1,283 tons valued at \$273,000 in 1938 to 4,901 tons valued at \$1,229,000, carnauba wax, from \$3,758,000 in 1938 to \$4,943,000, and sheep and goats skins from \$1,970,000 to \$3,430,000. Slight increases also occurred in the exports of lumber and timber and matte.

#### TRADE WITH GREAT BRITAIN

Total imports into Brazil from Great Britain showed a further decrease in 1939 from the previous year's total of \$30,658,000 to \$24,230,000. Of the thirty-four major imports from Great Britain, increases occurred in eleven only, the one important increase being in the imports of linen piece-goods, from \$773,552 to \$883,000. Other minor increases took place in imports of raw tin, wool yarns, raw aluminium, leaf tobacco, and coal of which shipments continue to be negligible as compared to imports prior to 1938, being valued in 1939 at only \$129,000. The remaining increases were in cement, silk yarn, tires and tubes, motor cars and trucks, and paper.

There was a marked decrease in the imports of cotton yarn, from a value of \$1,742,000 in 1938 to \$1,444,000 in 1939. Shipments of wood-pulp arriving from Great Britain increased from 5,961 tons in 1938 to 6,317 tons; value, however, decreased from \$355,000 to \$261,000. Cotton piece-goods, although showing an increase in volume, fell off in value from \$161,000 in 1938 to \$111,000. Tinplate decreased in both tonnage and value from 2,766 tons valued at \$363,000 to 2,051 tons, valued at \$232,000. Iron and steel tubes decreased in value from \$377,000 to \$228,000. The value of imports of garden tools, shovels and axes decreased from \$407,000 to \$69,000. The most outstanding decrease, however, occurred in the imports of spinning and weaving machinery, of which material to the value of \$1,779,000 was imported in 1938 as compared with only \$741,000 in 1939. Codfish imports decreased from 4,376 tons valued at \$775,000 in 1938 to 3,809 tons valued at \$588,000. Other important decreases occurred in the imports of copper, iron sheets, jute, iron and steel manufactures n.o.p., woollen goods, machinery, and agricultural machinery.

Brazilian exports to Great Britain increased in value from \$25,340,000 to \$29,390,000. With the exception of raw cotton, oranges and sheep's skins, increases occurred in all of the major commodities exported to Great Britain. Excepting raw cotton, which decreased in value from \$9,545,000 to \$8,690,000, the decreases were comparatively unimportant. Increases occurred in the case of raw cocoa, coffee, and hides and skins, from \$449,000 in 1938 to \$1,395,000 in 1939; in raw rubber and carnauba wax, which more than quadrupled in value from \$1,119,000 to \$4,943,000; and in Brazil nuts, timber and lumber, and matte.

## TRADE WITH GERMANY

Brazilian imports from Germany decreased by approximately 25 per cent during 1939 as compared with 1938, from \$73,809,000 to \$50,760,000. Thirty-seven items make up the bulk of this trade, and in all except six, important decreases were registered.

The only increases took place in the imports of coal, the tonnage of which increased from 18,647 tons in 1938 to 31,355 tons in 1939, while the value increased from \$338,000 to \$411,000. Despite this increase the value and volume are still far below the imports for 1935, 1936 and 1937; during the last-mentioned year the value was over \$6,500,000. A slight increase also occurred in the value of motor-car tires imported, from \$289,000 in 1938 to \$336,000 in 1939. Volume, however, increased considerably more, from 386 tons to 509 tons. An increase of \$4,000 took place in imports of motor-car accessories, the total for 1939 being \$148,000. Medicinal ampoules also showed a slight increase, from \$704,000 to \$722,000. Another increase took place in chassis for automobiles and trucks, from 412 units valued at \$643,000 in 1938 to 446 units valued at \$701,000 in 1939. Shipments of wood-pulp increased from 4,043 tons valued at \$278,000 in 1938 to 5,777 tons valued at \$323,000.

The most important decreases were in the imports of unmanufactured iron and steel, from \$1,063,000 in 1938 to \$271,000 in 1939; assembled motor cars and trucks, from \$1,019,000 to \$770,000; bicycles, from \$599,000 to \$165,000; cutlery, from \$306,000 to \$3,800; tinplate, from \$2,620,000 to \$978,000; tubes and pipes, from \$1,832,000 to \$1,411,000; hoes, shovels and axes, from \$616,000 to \$201,000; electric dynamos and generators, from \$845,000 to \$192,000; sewing machines, from \$910,000 to \$520,000; medicinal capsules, pills, etc., from \$345,000 to \$7,700.

In Brazilian exports to Germany, there was a decrease of nearly 33 per cent, bringing the total to \$36,430,000 in 1939 as against \$55,080,000 in 1938. Thirteen items make up the bulk of Brazilian exports, of which the following showed increases: tobacco in leaf, from \$6,000 in 1938 to \$1,490,000; timber and lumber, from \$1,206,000 to \$1,599,000; and sheep and goats skins, from \$127,000 to \$139,000. Decreases were recorded for coffee, from \$13,410,000 to \$8,235,000; raw cotton, from \$16,249,000 to \$13,550,000; raw rubber, from \$1,061,000 to \$792,000; hides and skins, from \$4,522,000 to \$2,079,000. Other decreases occurred in the exports of cocoa beans and butter, carnauba wax, Brazil nuts, oranges, and matte.

## TRADE WITH JAPAN

There was a small increase in imports from Japan, from \$3,892,000 in 1938 to \$3,945,000 in 1939. Fourteen items comprise the bulk of Brazilian imports from Japan. Of these, eight showed increases: wool yarn, rubber toys, bicycles, celluloid toys, abrasive wheels, electric lighting machinery (total value only \$197), and codfish which was imported to the value of \$2,974 in 1939.

Decreases were noted in the case of unmanufactured celluloid, silk yarn, manufactures of cotton, rubber-soled shoes, china, electric lamp bulbs, and paper.

On the other hand there was a considerable increase in Japanese purchases from Brazil, from \$13,260,000 in 1938 to \$16,630,000 in 1939. Practically the entire value is accounted for by cotton, of which 60,159 tons valued at \$12,175,000 were shipped in 1938 as against 77,807 tons valued at \$15,080,000 in 1939. The remaining items are not of great importance, but increases occurred in the imports of timber and lumber, raw rubber, cocoa beans, hides and skins, and carnauba wax. There were decreases in Japan's purchases of cocoa butter, coffee, and sheep and goats skins.

## FIRST OFFICIAL ESTIMATE OF ARGENTINE GRAIN CROPS FOR 1940-41

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes under date December 18, 1940, that the Argentine Department of Agriculture has issued the first official estimate of the 1940-41 grain crops. The following table gives the figures of this estimate, together with the yields in 1939-40 and the average yields for the last ten years:—

	1st Estimate 1940-1941 Bushels	1939-1940 Bushels	10-Year Average Bushels
Wheat . . . . .	293,920,000	119,441,800	230,530,751
Flaxseed . . . . .	78,740,000	39,936,928	66,553,135
Oats . . . . .	57,068,000	56,589,000	54,294,366
Barley . . . . .	39,499,800	39,091,000	25,352,809
Rye . . . . .	18,897,600	13,582,650	9,345,336
Canary seed (tons) . . . . .	35,200	29,150	35,452

## TARIFF CHANGES AND TRADE REGULATIONS

### Ireland

#### INCREASED DUTY ON CANDLES

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that, by an Order of the Government of Eire (dated November 26, 1940), the duty on candles, tapers, and night lights has been increased on and from November 27, 1940, as follows:—

From—	New Duty Per Cent Ad Val.	Former Duty Per Cent Ad Val.
Canada and the United Kingdom . . . . .	25	10
Other British countries . . . . .	37½	20
All other countries . . . . .	37½	30

A free-of-duty licensing provision is attached to this Order. If a licence is issued for the importation of such goods not of United Kingdom or Canadian manufacture, a duty of 10 per cent ad valorem is levied under the terms of the United Kingdom-Eire Trade Agreement.

#### IMPORT QUOTAS ON BRUSHES, BROOMS AND MOPS, LADIES' FELT HATS, SCREWS, AND CANDLES

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that, by government Orders dated November 26, 1940, quotas and quota periods have been fixed for the importation into Eire of the following articles:—

Brushes, brooms and mops for domestic or household use, 95,000 articles; brushes for human and personal use, 92,000 articles; other brushes, brooms, and mops, 164,000 articles. For these items the quota period is from January 1, 1941, to December 31, 1941.

Ladies' felt hats (under 14s. 11d. each), 80,000 articles; metal screws (slotted heads and tapered threads), 110,000 gross, of which 108,000 gross must come from the United Kingdom or Canada. The quota period for these articles is from January 1, 1941, to June 30, 1941.

The amounts allocated in all cases are the same as for the similar period of 1940.

The quota restriction imposed on imports of candles in 1935 has been abolished as from November 27, 1940, and therefore these may now be imported into Eire without restriction as to quantity.



## Trinidad

## GOODS PROHIBITED IMPORTATION FROM FOREIGN SOURCES

An issue of the *Trinidad Gazette Extraordinary* of December 10, 1940, contained a notice from the Secretary of the Control Board giving a list of goods the importation of which is prohibited from all foreign sources. The list includes: fresh fruit and vegetables; aerated and mineral waters; spirits, liqueurs, and wines; confectionery; biscuits; bottled, canned or dried fruit; pickles and sauces; loaf, lump and cube sugar; floor and wall tiles; ornamental glassware; metal furniture; metal bedsteads; spring mattresses; stoves; baths; sinks; basins; fencing material; aluminium ware; cutlery; household electrical appliances, including radios and refrigerators; sewing machines; woollen and worsted yarns and manufactures thereof; carpets and floor rugs of wool or jute; paints, colours and varnishes; soap; motor vehicles and tires; musical instruments; toilet preparations; fireworks; jewellery; gold and silver wares; toys.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 30, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 30, 1940, and for the week ending Monday, December 23, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 23	Nominal Quotations in Montreal Week ending Dec. 30	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0216	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Yugoslavia . . . . .	Dinar	.0176	.0249	.0249	5
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2645	.2645	3½
Switzerland . . . . .	Franc	.1930	.2575	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2270	.2271	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2620	.2616	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0557	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6348	.6354	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4382	.4382	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0587	.0602	—
Hongkong . . . . .	Dollar	.....	.2620	.2622	—
India . . . . .	Ruppee	.3650	.3359	.3227	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

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# COMMERCIAL INTELLIGENCE JOURNAL

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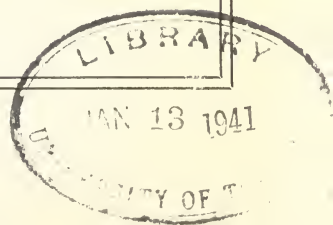
Ottawa, January 11, 1941

No. 1928



Spruce Lumber from Canada being unloaded from Barges at  
Brooklyn, N.Y.

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER



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# COMMERCIAL INTELLIGENCE JOURNAL

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**Ottawa, January 11, 1941**

**No. 1928**

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## **WHEAT ACREAGE INCREASING IN THE SOUTHWEST OF ENGLAND**

**E. L. McCOLL, CANADIAN TRADE COMMISSIONER**

Bristol, November 28, 1940.—During the last year the attitude towards agricultural lands in the southwest, and in fact all over the United Kingdom, has been undergoing a change. Rural land values are rising. A typical example is that of a 200-acre farm in Somerset, bought twenty years ago for £6,800. In 1939, just previous to the present war, it sold for £7,000, a price which can hardly be deemed an appreciation, taking into consideration the movement in sterling itself during the interval. Recently, however, the same farm sold for £8,200. Since the start of the war farm lands have advanced in price £10 an acre.

Three explanations for the rise in land values are offered by real estate agents. Firstly, the sale of foreign securities, which have been taken over by the Government, has resulted in a large amount of money coming home to Britain. The owners of these securities have been given sterling and many of them are seeking to reinvest it in agriculture. Secondly, considerable surplus money has accumulated in many urban centres and some of it is being attracted to the countryside. Thirdly, the better outlook for the farmer, due both to government encouragement and the higher prices obtaining for agricultural products, is attracting fresh capital towards the land.

### **HOME-GROWN WHEAT**

The present emergency is increasing the acreage generally planted to wheat in the southwest counties. Majority opinion in this territory for many years has held wheat to be the pivotal crop, although in practice it has not been. The two branches of husbandry, mixed farming and dairy cattle, form the bulk of agriculture; not grain growing as in the southeast. However, official encouragement, combined with a little pressure, promises to bring about a great increase in the arable acreage, much of which will be in wheat.

Since county production figures are not available, national statistics must be used to indicate the extent to which the growing of wheat has been influenced by government subsidy, which came into force for the 1932-33 crop. The average annual area sown to wheat in the United Kingdom for the five years 1910-1914 was 1,861,000 acres and the average annual yield was 32,200,000 cwt. The highest production was 35,690,000 cwt. in 1911 and the lowest 30,221,000 cwt. in 1910. During 1918 the acreage reached 2,500,000. In the years following 1918 wheat planting declined until in 1931 it amounted only to 1,250,000 acres, the lowest acreage recorded since 1866, the year for which official figures were first published.

Many influential farmers, some of whom were members of Parliament, regarded wheat as the barometer of agricultural prosperity. They believed that, to save this part of husbandry from decay, the downward trend of acreage had



to be reversed and that the only prophylaxis was a subsidy. Many plans were submitted to the Government and there finally emerged from them one which was successfully put forward to Parliament. As this legislation formed the background of wheat production up to the present war a review of some of its salient features will be appropriate.

### THE WHEAT ACT, 1932

The Wheat Act, 1932, laid down that the standard price of home-grown millable wheat should be 45s. per quarter of 504 lb. and guaranteed to the grower what was called a "deficiency payment". This was the difference between the ascertained average price of home-grown wheat for the year and the standard price of 45s. Both the farmer who sold poor, though millable, wheat at a low price, and the one who sold first-class wheat at a good price, received the same deficiency payment. The subsidy, therefore, placed a premium on quality.

For the 1932-33 crop, the first one to reap advantage from the Act, the ascertained average price of millable wheat at the farm was 24s. 2d. per quarter. This amount when subtracted from the standard price of 45s. left a deficiency payment to farmers of 20s. 10d. The immediate effect of this legislation was marked. In anticipation of its benefits the wheat acreage of the United Kingdom rose from 1,250,000 in 1931 to 1,343,000 in 1932 and to 1,745,000 in 1933. The maximum production was reached in 1934 with 37,367,000 cwt. from 1,866,000 acres, a yield of nearly 37 bushels to the acre. Less favourable crop conditions prevailed in the years immediately following and resulted in a slight decline in acreage and production.

The Act placed two limits upon payments. Firstly, the total subsidy was confined to the "anticipated supply", which was an estimate, made by the Wheat Commission as soon as practicable after the beginning of every cereal year, of the quantity of millable wheat that would be sold that year by registered growers. Secondly, the total deficiency payments based on the ascertained average price and the "anticipated supply" was limited to 27,000,000 cwt. (6,000,000 quarters of 504 lb.). The effect of the limitation was to reduce the deficiency payments payable to growers in proportion as the quantity sold by them exceeded the "anticipated supply" of 27,000,000 cwt. This clause in the Act, together with that which fixed the standard price at 45s. per quarter, were intended as a check against the undue expansion which might easily arise from the cultivation of unsuitable land. On the other hand, it was recognized that a substantial quantity of the best millable home-grown wheat was fed by farmers to their own poultry and other stock and, therefore, not being sold to a registered buyer, would not rank for deficiency payments. The Act provided for a review of the situation in three years' time. The Standard Price Committee, appointed in February, 1935, for this purpose, reached the unanimous and definite conclusion that it was undesirable at that time to make any alteration in the standard price.

In 1937 there was passed the Agriculture Act by which growers of oats and barley were granted a subsidy. As with the wheat deficiency payments, the full rate was to be paid only on a limited acreage. If this acreage was exceeded the rate of subsidy would be reduced proportionately. Further, the subsidy was not to be payable to growers who were in receipt of deficiency payments for wheat, nor was the wheat subsidy payable to those who elected to take that given for oats and barley.

### CEREAL YEAR 1938-39

In the crop year 1938-39 registered wheat growers sold 36,700,000 cwt. of home-grown millable wheat of their own growing at an average price of 20s. 6.537d. per quarter of 504 lb. Since the certified sales were in excess of the

"anticipated supply" of 34,330,000 cwt. for the year, growers received only 93·542 per cent of the full deficiency payment. The net rate of deficiency payment for the year amounted to 22s. 8·52d. per quarter, 0·473d. having been deducted for the administrative expenses of the Wheat Commission. The certified quantity of millable wheat included about 60,000 cwt., on which deficiency payments under the Wheat Act will not be payable by the Commission because the growers of the wheat elected to receive oats or barley subsidy payable under the Agriculture Act, 1937.

Since the war the standard price of home-grown wheat was first raised from 45s. to 49s. 6d. Later the Wheat Act, 1932, was suspended and a regulation which fixed the price at 14s. 6d. per cwt., or 65s. 3d. per quarter of 504 lb., was substituted. Increasing costs of production are responsible for this concession to farmers. Wages, machinery and cost of living on the farm have all advanced. Fifteen years ago it took £10 an acre, liquid capital, to run a farm, whereas £20 is the amount required to-day. The bulk of this increase has occurred during the last fourteen months.

### PRESENT SITUATION

In pre-war years approximately 60 per cent of the home-grown wheat went for fodder and the remainder was ground for biscuit flour. In times of a large harvest, when there would be more wheat than the biscuit trade could absorb, or when there was a larger quantity than normal of inferior grain which the biscuit trade could not use, the proportion consumed as provender would increase. Generally speaking, bread-making flours were restricted to a grist made entirely of imported wheats. Frequently, however, from 5 per cent to 10 per cent of English wheat is used at the beginning of the season if it is plentiful and cheap. It is appreciated in a blend for its flavour, and besides "Yeoman" has strength.

Three factors are causing much more than a normal amount of home-grown wheat to be offered now for bread and biscuit flour milling. The Government's successful policy of encouragement has increased wheat acreage. Official regulations have cut the quantity which may go to the farmyard to 10 per cent of the total sold by growers to the trade; ninety per cent is for flour for human consumption. Lastly, as the growers will receive no other price than the fixed one, most of them are not willing to assume the risks which accompany storage; moreover, many need the cash. It is not surprising, therefore, that most of them are offering their wheat for sale now. Incidentally, the grower may retain sufficient wheat.

To keep the grain moving the Ministry of Food has issued two notices. One asks the port millers to use 15 per cent of home-grown wheat in all mixed grists, and the other requests biscuit manufacturers to increase their stocks of flour. As both industries will comply to the letter with these appeals there should be a reasonable clearance of wheat from the farms. In a recent copy of a trade journal it was stated that at present home-grown wheat is being used at the rate of 25,000 tons a week—or more than double that of a year ago, while millers are holding in store four times the quantity normally held. A remedy suggested by a prominent person in a letter to the *London Times* of November 18, was to "raise the price of wheat 1s. per quarter from December 1, and 1s. more every month up to and including July next. This would give farmers a great incentive to keep corn in the ricks, where it would be nearly invulnerable to any action from the air". The "new order", which is bringing into practice the use of large quantities of home-grown wheat in bread-making flour, must have, temporarily at least, unbalanced the miller's routine.

### SEED

The quantity of seed sown last autumn in Somerset, according to a statement made by the secretary of a farmers' association, was 10 to 15 per cent

over that sown during the autumn of 1938. This season the increase has been from 30 to 40 per cent over last year's planting. White wheat will make up 90 per cent, and red the remainder. Poultry breeders and biscuit makers demand white, while the red and some white will be milled for bread flour. With the exception of some 10 per cent, wheat is fall sown.

Non-pedigree, but certified, seed wheat brings 5s. to 7s. more per quarter than ordinary millable wheat. This classification of seed, which is cleaned of all foreign matter and has its germination guaranteed, is quoted at from 85s. to 90s. per quarter. Once-grown pedigree seed wheat has been selling at 120s., while second-year growth has brought 90s. per quarter.

#### ACREAGE FOR 1941-42

More wheat planting than ever is aimed at for next autumn ploughing. In most districts a big addition of grassland is scheduled for arable cropping. Prodigious use of basic slag, phosphates and other fertilizers will be made to bring these old pastures into good heart. The Minister of Agriculture is reiterating that more food can be produced per acre of arable ground than of meadow. While farmers will be allowed reasonable latitude in the choice of crops they are to grow, the need of raising wheat, potatoes, and winter feeding-stuffs for dairy cattle is emphasized.

### ECONOMIC CONDITIONS IN THE BELGIAN CONGO

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

(All references to tons in this report are to the metric ton of 2,204 pounds.)

Johannesburg, November 29, 1940.—The Belgian Congo's normal trading channels were completely disrupted by the invasion of Belgium in May. During 1938, the last year for which complete figures covering external trade are available, 83·63 per cent of the Congo's total exports were consigned to Belgium, and 48·3 per cent of total imports came from Belgium. These figures indicate the extent to which the Congo was dependent on Belgium, both for the disposal of exports and as a source of supply of imports.

Shipping and exchange were two important problems which required early solution in order to maintain trade at levels approximating normal.

#### EXCHANGE

In connection with exchange, importers in the Congo have at their disposal accumulated sterling balances which can be utilized for the payment of purchases made in countries which are part of the sterling bloc, the rate of exchange being fixed by agreement last June at 176·625 francs to the pound. In addition the Bank of England has made provisional arrangements to supply the Banque du Congo Belge with foreign exchange to meet the cost of essential imports and services which are not obtainable in the sterling area.

#### SHIPPING

The cessation of the regular shipping services between Belgium and the Congo has created a problem of some magnitude which has still to be solved. By utilizing alternative shipping services and diverting exports to other markets, particularly to the United Kingdom, the United States, and those in close proximity to the Congo, external trade is being conducted at a volume which can be regarded as being very satisfactory under existing conditions.



## EXPORT MARKETS

The general economic position in the Congo is showing definite improvement mainly because alternative markets for copper and tin have been established. Funds realized from the sale of these two products should be sufficient to pay for a fairly large proportion of total imports in any one normal year. If the value of gold produced is added to copper and tin, the Congo should experience little difficulty in paying for all essential imports.

The position of the agricultural industry is not so favourable. The principal agricultural products of the Belgian Congo are cotton, palm oil, palm kernels, copal, raw rubber, peanuts, coffee and fibre. Cultivation is almost entirely undertaken by natives (under European supervision) and a large part of the native population of 10,000,000 is dependent for its subsistence on the earnings received from these crops. It is essential, therefore, that new markets for the Congo's agricultural products be located as soon as possible.

A large proportion of the country is covered by forests and this natural wealth has been exploited commercially for some years. In 1938, total production of timber and allied products had an estimated value of \$1,000,000. The chief export markets now are Northern Rhodesia, Southern Rhodesia and the Union of South Africa.

## MINING

The Belgian Congo occupies a leading position among world producers of industrial diamonds, radium and cobalt. Its more important minerals from a commercial standpoint are copper, gold and tin, and these three items account for a large percentage of the Colony's total exports. Other minerals found in the Congo include lead, manganese, silver, platinum and zinc. The mining industry is highly organized and efficiently operated and forms the basis of the Congo's economic prosperity.

Copper is now being exported at a rate of approximately 9,500 tons per month. This figure does not represent capacity production. Output could be increased considerably given additional demand. Copper exports in 1939 amounted to 122,000 tons as compared with 158,000 in 1938.

Gold production was estimated to be 15 tons in 1938 as compared with 16 tons in 1939. It has been stated that gold production could be increased from 15 to 20 per cent without importing new machinery. It is likely that the amount of gold mined in the Congo in 1940 will equal or slightly exceed the 1939 figure.

The Congo's tin quota was fixed at 14,000 tons per year. This quota was increased to 130 per cent in July, so that annual exports should now reach 18,000 tons.

## AGRICULTURE

The cotton crop has steadily increased in extent over the past ten years. Cotton exports in 1939 amounted to 34,600 tons, a decrease from the figure of 42,000 tons in 1938. The 1940 crop is expected to exceed 1939 production. The United Kingdom recently purchased 8,000 tons, but there is still a considerable quantity unsold.

Palm oil exports amounted to 67,400 tons in 1939, a slight decrease from 67,900 tons in 1938. Exports are now consigned principally to the United States, the Union of South Africa and the United Kingdom. The 1940 production of palm oil should equal or exceed that of previous years. Palm kernel exports from the Congo amounted to 83,000 tons in 1939 and 88,000 tons in 1938. There are large stocks of palm kernels still unsold and prospects of finding markets for this commodity are not encouraging in view of decreased world demand.

The foregoing products, together with copal, peanuts, fibres, sugar and coffee make up the bulk of the Belgian Congo's agricultural exports, which are usually very much lower in value than mineral exports.

### OUTLOOK

Since the very disturbed period after the conquest of Belgium, trading conditions have shown some improvement. The mining industry, as has been the case in the past, continues to be the most important single factor affecting economic conditions in the Belgian Congo. At the moment it would appear that this industry is likely to assume a more dominant role than heretofore. A hopeful sign is the fact that, with the exception of copper, production continues at normal levels.

There has been a shortage of certain essential imports formerly obtained from Belgium, but this position is gradually being rectified. The most immediate problem (in view of its importance to the native population) is to find markets for the surplus agricultural products. This is receiving the close attention of the Government, and also of the economic mission from the United Kingdom.

### FOREIGN TRADE OF EGYPT, JANUARY-JUNE, 1940

[One Egyptian pound (£E) approximately equals \$4.60 Canadian]

During the first half of 1940, the foreign trade of Egypt, excluding bullion and specie, amounted in value to £E42,775,000 as compared with £E33,020,000 in the corresponding period of 1939, an increase of nearly 30 per cent. Both imports and exports were higher. The former were valued at £E22,299,000 as compared with £E16,550,000, and exports at £E20,476,000 as against £E16,470,000.

Imports from the United Kingdom, as usual the leading supplier, were valued at £E6,500,000 as against £E4,301,000 for January-June, 1939. The United States moved up from third to second place—occupied by Germany in the 1939 period—supplying imports valued at £E2,513,000 as against £E1,196,000. Five other countries supplied goods in excess of a value of a million Egyptian pounds. In order, they were: Chile, £E2,240,000 (£E503,000 in the first half of 1939); Italy, £E1,347,000 (£E965,000); Belgium, £E1,178,000 (£E983,000); France, £E1,146,000 (£E1,148,000); Dutch East Indies, £E1,107,000 (£E541,000). It will be noted that there was a rise in the value of imports from each of these five countries, except France. Purchases from Japan, India, Roumania, Switzerland and Hungary, next in importance as suppliers in the 1940 period, and from eleven others of the twenty-five leading countries on Egypt's import list were also higher. Germany was in twenty-sixth place, being credited with goods valued at £E37,000 as against £E1,986,000 in the first half of 1939.

Egypt's exports to the United Kingdom in the first half of 1940 were valued at £E7,736,000 as against £E5,857,000 in the corresponding period of 1939. Those to France, which replaced Germany as Egypt's second export market, were valued at £E4,332,000 as compared with £E1,570,000. It will be noted that the increase in value of exports to the United Kingdom and France exceeded the increase in value of total exports. Among other leading customers, there were increases in exports to Italy, the United States, Palestine, Roumania, China, Syria and Iraq, and decreases in the value of those to India, Belgium, Switzerland and Greece. No exports to Germany are recorded for the half year under review; those for the January-June period of 1939 were valued at £E1,777,000.

## SUMMARY OF THE TRADE OF CANADA: MONTH, ELEVEN MONTHS, AND TWELVE MONTHS ENDING NOVEMBER, 1940

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of November, 1940			Eleven Months ending November, 1940			Twelve Months ending November, 1940		
	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Imports for Consumption</i>									
Agricultural and Vegetable Products.....	14,364,495	746,554	5,014,951	143,416,184	7,811,677	52,330,701	156,373,126	8,840,199	56,647,378
Animals and Animal Products.....	2,307,028	239,354	1,444,694	32,919,017	3,408,400	19,496,706	36,844,312	3,841,111	21,589,156
Fibres, Textiles and Textile Products.....	10,600,988	3,074,952	4,373,695	136,132,490	49,430,063	58,071,091	146,889,348	52,716,267	63,678,502
Wood, Wood Products and Paper.....	3,203,185	140,634	2,927,405	35,055,116	2,448,033	31,022,677	38,094,647	2,689,526	33,656,077
Iron and its Products.....	28,631,184	1,702,053	26,927,189	269,612,993	19,956,332	246,188,719	288,488,728	21,321,115	263,101,217
Non-Ferrous Metals and their Products.....	6,754,299	548,677	4,321,529	63,369,087	10,814,632	40,197,355	67,719,954	11,075,988	43,512,326
Non-Metallic Minerals and their Products.....	16,777,542	1,256,392	11,658,354	148,659,338	16,594,292	115,558,810	198,036,472	17,284,898	123,047,092
Chemicals and Allied Products.....	4,629,384	457,962	4,199,923	47,722,474	7,033,012	38,024,959	51,934,983	7,691,988	41,087,679
Miscellaneous Commodities.....	15,706,632	2,090,372	13,406,197	102,781,544	23,447,552	74,356,809	107,356,011	26,002,533	78,060,212
Total Imports, 1940.....	102,283,687	11,317,160	74,497,637	979,648,243	143,004,314	675,247,827	1,051,757,581	151,402,887	724,349,639
1939.....	84,561,211	13,482,462	50,591,222	678,946,196	105,548,836	447,796,654	723,232,182	112,581,759	476,984,473
1938.....	63,366,669	11,026,638	37,651,046	633,166,368	112,259,507	395,542,748	686,290,407	120,925,730	430,374,778
<i>Exports (Canadian Produce)</i>									
Agricultural and Vegetable Products.....	22,221,231	9,661,130	9,358,911	202,771,904	116,312,924	56,117,921	242,762,933	127,742,099	81,104,503
Animals and Animal Products.....	17,129,213	11,187,052	4,825,831	152,006,669	97,775,673	42,480,632	165,073,265	105,647,572	46,711,521
Fibres, Textiles and Textile Products.....	1,754,506	561,877	282,973	19,607,677	5,880,647	2,769,469	20,518,742	6,027,947	2,899,693
Wood, Wood Products and Paper.....	31,635,665	8,259,510	19,274,487	319,703,163	76,991,117	196,677,643	342,036,608	80,193,928	212,636,775
Iron and its Products.....	16,213,312	7,233,831	372,986	110,778,922	47,230,116	5,369,308	115,698,159	48,272,779	5,807,200
Non-Ferrous Metals and their Products.....	7,101,702	10,110,898	6,462,722	180,664,764	98,578,637	60,432,369	193,397,167	100,432,439	65,160,065
Non-Metallic Minerals and their Products.....	3,278,788	572,098	3,072,749	6,067,637	17,413,894	34,466,851	6,306,840	19,312,279	11,009,059
Chemicals and Allied Products.....	2,456,585	736,098	1,993,943	29,239,398	8,128,336	10,098,428	31,433,637	8,430,429	11,009,059
Miscellaneous Commodities.....	5,411,172	4,297,685	650,745	35,588,217	23,154,518	7,874,004	36,967,653	23,372,045	8,588,687
Totals, 1940.....	117,452,172	52,733,447	43,958,696	1,081,333,493	477,108,998	390,233,668	1,182,355,015	506,426,078	453,229,782
1939.....	97,168,176	30,053,170	46,201,061	823,904,582	298,732,157	326,396,933	892,782,247	324,316,924	351,132,363
1938.....	85,979,453	35,749,739	28,386,763	768,696,252	314,153,918	245,724,729	843,788,936	345,391,373	271,351,890
<i>Exports (Foreign Produce)</i>									
Totals, 1940.....	951,979	24,610	712,840	13,173,439	4,089,370	8,101,387	14,124,645	4,137,139	8,940,291
1939.....	1,327,190	28,736	1,208,685	10,044,403	739,424	8,522,647	11,019,674	793,867	9,319,489
1938.....	851,279	58,345	689,818	10,124,945	1,676,247	7,499,895	10,929,164	1,754,132	8,131,863
<i>Excess of Imports (i) or all Exports (e)</i>									
Totals, 1940.....	(e) 16,120,464	(e) 41,440,897	(i) 29,826,101	(e) 114,558,689	(e) 338,194,049	(i) 267,912,722	(e) 144,722,079	(e) 359,100,330	(i) 262,179,566
1939.....	(e) 13,929,153	(e) 10,569,464	(i) 10,451,476	(e) 155,002,789	(e) 137,972,745	(i) 112,878,074	(e) 180,579,739	(e) 212,534,052	(i) 156,332,591
1938.....	(e) 23,527,063	(e) 24,781,446	(i) 8,574,405	(e) 145,655,829	(e) 203,570,658	(i) 142,318,124	(e) 168,427,693	(e) 226,219,775	(i) 150,891,005



## MEXICAN MARKET FOR SANITARY WARE

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One Mexican peso equals approximately 22½ cents Canadian)

Mexico City, December 23, 1940.—There is a fairly good market in Mexico for sanitary ware, owing to the extensive building operations being carried on in this country. Investors, dubious of other sources of income, are investing their funds largely in small houses. Construction is widespread and by no means limited to the Capital, operations being actively carried on at tourist resorts such as Acapulco and Cuernavaca. This new construction, in addition to the modernization of buildings in certain areas, has created a demand for a fair quantity of sanitary material.

Although a certain amount is produced locally, imports are steady and in quantity. In 1937 they were valued at 1,834,981 pesos, in 1938 at 1,728,236 pesos and in 1939 at 1,765,089 pesos. About 80 per cent of these imports were from the United States. Germany was formerly a large shipper of the cheaper grades of enamelled ware and vitrified ware and, as these are no longer obtainable from that country, local agents are seeking new sources of supply. Orders are always placed for carload lots. At present there is a particularly urgent demand for cheap closet bowls, and the Canadian Trade Commissioner's office in Mexico City is in touch with an active agent who is desirous of establishing contact with a Canadian supplier of this type of bowl. The demand in Mexico is chiefly for what are called "back-spud bowls," with the water inlet at the back of the bowl. Closet seats are not wanted, as they are produced locally.

All United States models, even if they differ from German offerings, are acceptable in this market. This is due to the fact that new house construction in Mexico follows United States trends. Competitive prices for closet bowls should be around \$4.80, less 20 per cent, less 5, less 5.

In addition to closet bowls, the best selling items of sanitary ware in Mexico are wash bowls.

Accompanying this report is a limited number of illustrations showing the designs of sanitary ware formerly supplied from Germany and which, if made of vitreous material and offered at competitive prices, could be sold in this market. These illustrations are open for inspection by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa; quote file No. 17134-2.

## COMMODITY MARKETS IN BRAZIL IN 1939

L. S. GLASS, CANADIAN TRADE COMMISSIONER

(Import figures for 1938 are shown within parentheses)

Rio de Janeiro, December 6, 1940.—Following is a summary covering the individual items imported by Brazil in 1938 and 1939, with special reference to commodities in which Canada is or may be interested in selling to Brazil:

### AGRICULTURAL MACHINERY

Seeding machines, ploughs, plough shares and plough parts, threshing machines and tractors are the only agricultural implements and machinery specified separately in Brazilian statistics; all others are included under the heading "agricultural implements and machinery." Imports of the latter decreased from 1,518 tons and a value of \$448,561 in 1938 to 993 tons and

\$365,068 in 1939. The United States continued to be the most important supplier with \$296,304 (\$313,900), followed by Germany with \$37,980 (\$62,800). Imports from Canada increased from a value of \$4 in 1938 to \$1,093 in 1939.

Imports of seeding machines, which in 1938 doubled those of 1937, showed a considerable decrease, from \$28,193 in 1938 to \$14,159 in 1939. The United States supplied nearly the entire amount imported, \$11,919 (\$18,770). The other suppliers were Argentina, \$2,048 (\$850); and Germany, \$192 (\$8,445).

Ploughs, plough shares and plough parts, imports of which decreased sharply in 1938, were reduced again in 1939 to \$399,310 (\$564,219), due in great part to increased local manufacture. Germany continued in first position as a supplier with \$134,603 (\$287,200), the United States retaining second place with \$121,847 (\$242,100). Argentina was third with \$21,405 (\$15,550). Imports from Canada, which had decreased in 1938, increased considerably from \$4,030 in 1938 to \$11,969, the highest value yet attained.

Imports of threshing machines fell off sharply from \$52,608 in 1938 to \$18,731. The United States, as formerly, furnished practically the entire amount, \$18,600 (\$31,170).

Imports of tractors continued to increase to \$1,346,000 (\$1,204,000). The United States with \$1,290,000 (\$939,000) was again in first position. Germany, notwithstanding a considerable decrease, remained in second place with \$46,545 (\$161,600).

#### ELECTRIC MACHINERY

The value of imports of electric dynamos, motors and transformers decreased from \$3,811,000 in 1938 to \$2,987,000 in 1939. The United States with \$1,394,000 (\$1,296,000) supplanted Germany in first position, imports therefrom amounting to \$864,927 (\$1,446,000), Sweden with \$221,135 (\$410,000), Switzerland with \$173,390 (\$155,600), and Great Britain with \$110,919 (\$271,000) were the other main suppliers. Imports from Canada increased to \$8,883 (\$7,480).

#### ELECTRIC CABLE

Imports of electric cable showed a slight increase in volume, from 1,170 tons in 1938 to 1,400 tons in 1939, but a marked decrease in value, from \$914,286 to \$425,161. Great Britain, shipping the largest share of the requirements, was first among suppliers with \$301,621 (\$226,600); Belgium with \$39,246 (\$60,800) occupied second place, followed by the United States, imports from which decreased sharply to \$25,408 (\$512,900). Imports from Canada decreased also, being valued at \$10,843 (\$23,900).

#### PORCELAIN INSULATORS

A further decrease occurred in the imports of porcelain insulators, \$86,312 (\$166,015). The United States was again the leading supplier with \$62,460 (\$107,000), followed by Germany, \$11,428 (\$14,050); Great Britain, \$6,065 (\$47,040); and Japan, \$2,105 (nil). Imports from Canada decreased from \$12,310 in 1938 to \$813 in 1939.

#### SEWING MACHINES

Imports of sewing machines fell off from \$2,826,109 in 1938 to \$2,479,935 in 1939. Canada continued to be the major supplier with \$1,476,104 (\$1,525,000). Germany was again in second place with \$520,002 (\$906,700), followed by the United States, \$433,009 (\$319,000); and Great Britain, \$47,557 (\$42,200). There were also small imports from France, Japan, Czecho-Slovakia, Switzerland, and Argentina.

## RAILS

Imports of steel rails, which had decreased in 1938, nearly doubled in value in 1939, \$4,555,139 (\$2,528,000). Belgium with \$2,138,222 (\$214,600) regained first place, followed by the United States, \$1,505,729 (\$954,500). Germany was third with \$548,546 (\$477,500), followed by Great Britain, \$225,279 (\$192,750); Poland, \$92,002 (\$506,500); France, \$52,952 (\$101,900); and Holland, \$46,709 (nil).

## AUTOMOBILES AND TRUCKS

Imports of passenger cars, which had decreased in 1938, showed an increase in 1939 to 12,021 units valued at \$8,153,824 from 11,827 units valued at \$7,952,115 in 1938. The United States continued to be the main supplier with 10,777 units valued at \$7,301,785 (10,205 units at \$7,162,000). Germany continued in second position with 1,088 units valued at \$747,124 (1,336 units at \$936,000), followed by Italy, 101 units at \$60,405 (106 units at \$56,190); Great Britain, 15 units at \$18,056 (15 units at \$12,250); Argentina, 2 units at \$5,785 (nil); and Czecho-Slovakia, 4 units at \$2,654 (10 units at \$6,400).

Imports of fully assembled trucks, which decreased in 1938, showed a substantial increase from 174 units valued at \$194,100 in 1938 to 658 units valued at \$530,273 in 1939. The United States supplied practically the entire amount imported and moved from second to first position, having shipped 617 units valued at \$483,329 (75 units at \$74,190). Germany with 20 units at \$23,266 (81 units at \$89,250) went from first to second place. Other suppliers were Great Britain and Holland.

Imports of chassis for both trucks and passenger cars increased from 8,908 units valued at \$5,257,000 in 1938 to 9,042 units valued at \$6,224,633 in 1939. The United States continued to supply the bulk of the market requirements, shipping 8,444 units valued at \$5,283,340 (8,241 units at \$4,709,000). Other suppliers were Germany with 446 units valued at \$700,862 (412 units at \$642,100), Sweden, Great Britain, and France.

## RUBBER MANUFACTURES

A slight increase was recorded in imports of general manufactures of rubber goods, from \$67,200 in 1938 to \$72,444 in 1939. Sources of supply were: Germany, \$37,543 (\$44,400); United States, \$20,048 (\$13,770); France, \$5,098 (\$2,620); Japan, \$3,946 (\$1,134); Great Britain, \$3,106 (\$2,496); and Italy, \$2,426 (\$567).

Imports of tires, which decreased in 1938, showed an increase in value from \$2,473,000 in 1938 to \$2,645,428 in 1939. Canada with \$723,050 (\$750,000) continued in first place. The United States was in second position with \$616,117 (\$577,100), followed by Great Britain, \$436,296 (\$415,800); Germany, \$317,893 (\$263,100); and Italy, \$292,926 (\$162,700). Small amounts were also imported from Argentina, Belgium, France, Japan, and Czecho-Slovakia.

A further decrease was recorded in imports of inner tubes, from \$184,540 in 1938 to \$173,839 in 1939. The United States with \$61,677 (\$39,880) supplanted Canada with \$44,160 (\$51,550) in first position in value but not in volume of supplies, Canada shipping 65 tons (74 tons) as against 55 tons (42 tons) shipped by the United States. Great Britain remained in third place with \$31,735 (\$39,250), followed by Germany, \$18,544 (\$25,290); France, \$7,964 (\$10,650); and Italy, \$5,559 (\$2,495). Belgium, Japan, Argentina, Holland, and Czecho-Slovakia also shipped small amounts.



## ALUMINIUM

An increase was shown in imports of raw aluminium, from \$697,776 in 1938 to \$762,564 in 1939. The United States supplied the largest share of the total imported, amounting to \$429,526 (nil). Canadian shipments were doubled, \$131,952 (\$60,350). Great Britain remained third with \$90,060 (\$67,790), followed by Germany, \$46,766 (\$46,750); Sweden, \$28,183 (\$9,020); and France, \$21,334 (\$296,200). Other shippers were Norway, Switzerland, and Japan.

## COPPER

Imports of copper plates and sheets again decreased, the value being \$865,583 as against \$1,194,536 in 1938. Germany with \$341,109 (\$449,000) was the most important supplier, while the United States with \$221,655 (\$320,000) retained second place. Chile, which appeared for the first time among suppliers, was in third position with \$152,857. Great Britain fell to fourth place with \$58,077 (\$177,000), followed by Rhodesia, which also appeared for the first time as a source of supply with \$51,297. Small amounts were also imported from Belgium, France, Japan, Sweden, and Argentina. Imports from Canada again decreased substantially, from \$39,640 in 1938 to \$14,638 in 1939.

Imports of copper tubes and pipes also fell off to \$183,197 (\$208,532). The United States with \$72,510 (\$51,290) supplanted Germany with \$67,898 (\$95,121) in first place among sources of supply. Great Britain with \$28,358 (\$22,400) remained in third place, followed by France, \$7,852 (\$10,740); Sweden, \$4,494 (\$4,088); and Belgium, \$1,130 (\$18,490). Imports from Canada decreased heavily, from \$3,835 in 1938 to \$689 in 1939.

A further decrease was also recorded in imports of copper wire n.o.p., which declined from \$51,129 in 1938 to \$44,040 in 1939. Germany with \$20,822 (\$28,940), the United States with \$12,684 (\$5,502), Great Britain with \$4,519 (\$2,552), Japan with \$2,059 (nil), Sweden with \$1,419 (\$6,589), and France with \$1,373 (\$3,120) were the principal suppliers. Small amounts came also from Belgium, Czecho-Slovakia, and Switzerland.

Imports of insulated copper wire increased in tonnage from 214 tons in 1938 to 310 tons in 1939, but decreased in value from \$202,168 to \$197,366. The United States with \$82,458 (\$48,800) regained first position, supplanting Germany with \$48,728 (\$53,920). Great Britain occupied third place with \$18,063 (\$9,641), followed by Denmark, \$17,698 (\$41,164); Belgium, \$12,311 (\$23,140); and Sweden, \$8,970 (\$9,487). Imports from Canada fell from \$11,146 in 1938 to \$5,166. Smaller shipments arrived from Argentina, Holland, Italy, Japan, and Switzerland.

Imports of uninsulated copper wire, which showed a substantial increase in 1938, recorded a sharp decrease, from \$40,566 in 1938 to \$19,427 in 1939. The United States continued in first position among supplying countries with \$14,226 (\$27,290). Other suppliers were: Japan, Germany, Great Britain, Italy, Belgium, Switzerland, and Canada which appeared for the second time as a shipper, \$141 (\$170).

## LEAD

Lead imports, which had decreased in 1938, showed an increase from \$795,535 in 1938 to \$967,809 in 1939. Canada, for which a considerable increase was recorded, maintained first position among suppliers with \$480,181 (\$279,000). The United States with \$296,375 (\$202,800) moved from third to second position, while Belgium with \$144,991 (\$262,200) fell from second to third, followed by Great Britain with \$31,377 (\$30,350). Other suppliers were Germany, France, Holland, Uruguay, Argentina, Denmark, and Mexico.

## ZINC

Zinc imports decreased considerably, from \$204,848 in 1938 to \$40,889 in 1939. Belgium remained in first place with \$12,000 (\$99,400). Rhodesia with \$8,302 (\$18,040) occupied second place, followed by Canada with \$6,833 (\$25,290). Smaller amounts arrived from Germany, the United States, Great Britain, Holland, and Poland.

## FURS AND PELTS

Fur and pelt imports showed a slight increase, from \$1,010,548 in 1938 to \$1,064,472 in 1939. London, Paris and Antwerp as usual continued to supply the Brazilian market. Belgium was again the leading supplier with \$709,189 (\$652,100); France was second with \$201,084 (\$217,800), and Great Britain with \$150,980 (\$133,600) was third. Smaller shipments came from Germany, Italy, Argentina, the United States, and Uruguay. It is noteworthy that buyers are showing greater interest in buying direct from Canada, and the more important importers are already making trips to Canadian fur centres.

## TACKS AND NAILS

A further decline was recorded for imports of tacks and nails, which decreased from \$108,101 in 1938 to \$67,926 in 1939. Germany continued to supply the bulk of the requirements of the market with shipments valued at \$45,989 (\$75,670), followed by the United States, \$9,672 (\$8,780); Great Britain, \$5,808 (\$9,200); Sweden, \$2,844 (\$1,815); and Norway, \$1,589 (\$1,588). Belgium, France, Japan, Portugal, Switzerland, Czecho-Slovakia, and Denmark also supplied small amounts. Imports from Canada, after showing a substantial increase in 1938, fell off to \$250 (\$1,417).

## BARBED WIRE

Barbed wire imports showed a slight increase in tonnage and a decrease in value, from 20,661 tons valued at \$1,816,324 in 1938 to 21,085 tons valued at \$1,656,340 in 1939. Germany with 8,157 tons valued at \$751,801 (8,310 tons valued at \$845,300), the United States with 9,738 tons valued at \$655,376 (9,278 tons valued at \$712,900), and Belgium with \$187,555 (\$230,100) were the principal suppliers. France, Holland, Great Britain, Poland, and Italy supplied the remainder.

## IRON AND STEEL WIRE

Imports of iron and steel wire increased from 20,601 tons valued at \$1,994,553 in 1938 to 28,427 tons valued at \$2,180,018 in 1939. Germany continued to be the major supplier with \$963,164 (\$1,162,500), followed by the United States, \$576,939 (\$386,300); Belgium, \$213,503 (\$186,800); Japan, \$153,731 (\$101,800); Poland, \$121,062 (\$31,250); France, \$96,505 (\$73,550); and Great Britain, \$38,552 (\$36,140). Holland, Argentina, Italy, Sweden, Switzerland, Czecho-Slovakia, and Austria supplied unimportant quantities.

## PAINTS AND VARNISH

Imports of paints increased from 28,730 in 1938 to \$49,876 in 1939. The United States again occupied first position among supplying countries with \$25,385 (\$14,640), followed by Germany with \$15,400 (\$5,100). Other suppliers were Great Britain, France, Switzerland, and Holland.

Imports of varnish also increased, from \$68,494 in 1938 to \$89,241 in 1939. First position was again occupied by the United States with shipments valued at \$56,359 (\$33,410), followed by Germany, \$12,138 (\$15,020); and Great Britain, \$10,133 (\$8,500) as major suppliers.

#### COTTON MANUFACTURES

A further decrease was recorded for imports of cotton manufactures of all kinds, which declined from 151 tons valued at \$463,432 in 1938 to 102 tons valued at \$276,609 in 1939. Great Britain continued to supply almost the total amount of the market requirements, shipping to the value of \$111,227 (\$116,090). Switzerland with \$48,519 (\$32,930) occupied second place, followed by Italy, \$32,032 (\$44,600); United States, \$29,140 (\$24,290); Germany, \$26,884 (\$65,080); and France, \$16,455 (\$22,810). Smaller amounts arrived also from Belgium, Japan, Holland, Czecho-Slovakia, Poland, and Uruguay.

#### SILK YARN

Silk yarn imports decreased considerably from \$1,767,964 in 1938 to \$1,024,706 in 1939. Japan with \$735,081 (\$1,243,000), the United States with \$174,391 (\$206,000), and Italy with \$103,105 (\$219,200) were the principal suppliers. Smaller shipments came also from Great Britain, France, Switzerland, and Italy.

#### LEATHER

In the Brazilian statistics there are only two classifications of leather: i.e. kid leather, which includes chamois, and hides and skins, which includes all other kinds of tanned or otherwise prepared leather.

In contrast with 1938, when a substantial increase was recorded in both tonnage and value, hide and skin imports in 1939 showed an increase in tonnage only, there being a sharp reduction in value. Total imports amounted to 40 tons valued at \$40,990 as against 34 tons valued at \$115,437 in 1938. Argentina with 33 tons worth \$10,892 (18 tons valued at \$12,700) surpassed all other suppliers in tonnage, while Great Britain with only 2.4 tons was in first place in value with \$13,450 (5 tons at \$45,450). Germany with \$7,112 (\$37,100), France with \$3,381 (\$12,250), and the United States with \$2,688 (\$3,910) were the other main suppliers.

Kid leather imports showed a slight increase, from 13 tons valued at \$116,551 in 1938 to 14 tons with a value of \$118,173 in 1939. The United States' share was \$54,512 (\$45,700), followed by Germany, \$30,533 (\$37,500); France, \$13,240 (\$18,950); Great Britain, \$9,165 (\$4,195); and Holland, \$8,766 (\$9,240) as the main sources of supply. Canada shipped for the first time to this market to the value of \$1,528.

#### CORDAGE

Imports of cordage decreased both in tonnage and value, from 18 tons at \$16,884 in 1938 to 15 tons valued at \$12,587 in 1939. Shipments coming from the United States were valued at \$6,478 (\$8,850); from Great Britain at \$5,826 (\$6,344), and from Germany at \$280 (\$1,645).

#### CEMENT

Cement imports continued to decline both in tonnage and value. In 1938, a total of 49,600 tons valued at \$544,673 were imported as against 34,834 tons at \$390,080 in 1939. Germany continued to dominate the market with \$250,024 (\$431,000). Great Britain with \$71,157 (\$53,890) maintained second position, followed by Belgium, \$47,740 (\$19,750); United States, \$12,358



(\$1,759); and Sweden, \$6,398 (\$5,030). Local production is increasing every year, amounting to 571,452 tons in 1937, 617,896 tons in 1938 and 697,793 tons in 1939. This increase in local production explains the constantly decreasing imports.

#### COAL AND COKE

A further decline was shown both in tonnage and value in the imports of coal, from 1,381,523 tons valued at \$12,725,899 in 1938 to 1,200,784 tons at a value of \$10,277,517 in 1939. Great Britain with \$3,974,466 (\$4,748,000) moved from second to first place among suppliers. The United States, showing a large increase, occupied second place with \$3,269,365 (\$1,030,000), while Germany moved to third position with \$2,803,796 (\$6,768,000).

Imports of coke, which had decreased, showed a considerable increase, from 28,961 tons valued at \$481,526 in 1938 to 54,240 tons at a value of \$761,392 in 1939. Germany continued to be the leading supplier with \$411,006 (\$339,900), followed by the United States, \$210,354 (nil); Great Britain, \$129,121 (\$117,700); and Belgium, \$10,911 (\$25,230).

#### PAPER AND PULP

Imports of newsprint, which in the previous year showed a decrease, recorded an increase in volume from 42,294 tons to 45,537 tons, while the value decreased from \$2,763,136 in 1938 to \$2,465,535. Sweden continued to dominate the market, supplying 13,495 tons valued at \$676,278 (14,153 tons at \$892,000). Finland occupied second position with 10,931 tons valued at \$499,585 (10,471 tons at \$578,000). Norway with 8,993 tons at \$496,853 (8,187 tons valued at \$483,000) remained in third position, followed by Germany with 7,477 tons at \$492,778 (7,468 tons at \$652,700). Canada shipped 2,837 tons with a value of \$176,549 as against none in 1938, while the remaining tonnage was imported from Holland, Great Britain, the United States, Italy, and France.

Imports of bond paper, writing paper, etc., showed a further decrease from 200 tons valued at \$73,778 in 1938 to 111 tons and a value of \$42,763 in 1939. The United States with \$16,425 (\$14,060) supplanted Germany with \$10,313 (\$31,140) in first position among suppliers, Great Britain with \$6,704 (\$9,690) moved from fourth to third place, followed by Holland, \$3,772 (\$10,660); Japan, \$2,899 (\$1,020); and Italy, \$1,334 (\$113). Other suppliers were Austria, France, and Sweden. Canada appeared for the first time as supplier with shipments valued at \$119.

A decrease was also shown in imports of paper n.o.p., which declined from 1,710 tons and a value of \$319,322 in 1938 to 1,430 tons valued at \$256,455 in 1939. Germany continued to supply the largest part of the requirements with \$83,939 (\$133,000), followed by Holland, \$77,115 (\$60,000); the United States, \$50,081 (\$36,500); and Great Britain, \$22,133 (\$12,500). Smaller quantities were also imported from Belgium, France, Spain, Italy, Japan, Sweden, Finland, and Austria.

Wood-pulp imports decreased in value and increased in tonnage, from 80,988 tons and a value of \$5,355,123 in 1938 to 84,480 tons at \$4,366,886 in 1939. Sweden continued to dominate the market, supplying 50,796 tons valued at \$2,696,796 (51,478 tons valued at \$3,418,000), which represents more than half of the total imports. The remainder was supplied by Norway, 6,804 tons at \$341,507 (5,104 tons at \$335,100); Germany, 5,777 tons at \$323,221 (4,043 tons at \$277,000); Great Britain, 6,317 tons at \$261,250 (5,961 tons at \$353,900); Finland, 4,422 tons at \$193,907 (2,373 tons at \$149,100); and Czecho-Slovakia, 2,481 tons at \$138,272 (3,590 tons at \$277,800). Imports from Canada decreased from 541 tons valued at \$39,520 to 286 tons worth \$19,302. Esthonia, Austria, and France also supplied small quantities.

## CHEESE

Imports of cheese showed a slight increase, from 176 tons valued at \$116,562 in 1938 to 184 tons at \$122,773 in 1939. Italy continued as chief supplier with \$102,756 (\$93,600), followed by Switzerland, \$10,467 (\$12,430); Portugal, \$3,746 (\$3,120); France, \$2,259 (\$1,929); Great Britain, \$1,428 (\$2,610); and Denmark, \$1,034 (\$1,872). The remainder was supplied by the United States, Germany, Sweden, and Finland.

## PRESERVED MILK

Imports of milk in powder decreased slightly from \$69,823 in 1938 to \$68,744 in 1939. The United States retained first position as a supplier with \$33,453 (\$31,480), followed by Germany, \$17,022 (\$22,570); Switzerland, \$6,867 (\$2,570); Holland, \$6,015 (nil); and Argentina, \$4,868 (\$4,255). Great Britain, Italy, and France supplied smaller quantities.

Imports of other kinds of preserved milk showed a sharp decrease, from \$3,211 in 1938 to \$158 in 1939. The total amount imported, valued at \$2,270, came from the United States.

## POTATOES

Imports of table potatoes increased slightly, from 734 tons valued at \$27,747 in 1938 to 858 tons at \$29,647 in 1939. Holland supplied almost the entire requirements of the market, shipping 732 tons at \$25,412 (408 tons at \$15,600). The remainder was supplied by Argentina, \$3,976 (\$7,540), and Belgium \$218 (\$3,970).

A slight increase was also recorded in imports of seed potatoes, which amounted to 1,314 tons valued at \$66,922, as against 1,293 tons valued at \$66,376 in 1938. Holland again supplied almost the entire total imported, 1,224 tons valued at \$61,207 (1,054 tons at \$50,200), followed by Germany, 69 tons valued at \$4,798 (219 tons at \$14,960); Poland, 15 tons at \$629 (nil); and the United States, 5 tons at \$288 (nil).

## FISH

Codfish, or strictly speaking, dry salt fish, is still the most important type of fish imported into Brazil. Imports increased slightly in tonnage, from 15,347 tons in 1938 to 16,118 tons in 1939, decreasing, however, in value from \$2,285,359 to \$2,122,102. Newfoundland continued to be the principal supplier, 7,718 tons valued at \$889,356 (7,405 tons at \$989,000). Great Britain with 3,809 tons at \$588,312 (4,576 tons at \$722,800) occupied second place, followed by Iceland, 2,728 tons at \$361,477 (2,206 tons at \$330,900); and Norway, 1,525 tons at \$241,391 (593 tons at \$103,250). Imports from Canada decreased from 484 tons at \$67,690 in 1938 to 301 tons at \$35,004 in 1939. Small shipments came also from the United States, Japan, Portugal, and Finland.

Imports of sardines in cans, which had been decreasing since 1936, showed an increase from 387 tons at \$169,903 to 419 tons at \$176,727 in 1939. The bulk of the imports came as usual from Portugal, amounting to 393 tons valued at \$167,509 (369 tons at \$162,400). Spain was in second place with 11 tons at \$3,694, followed by France, the United States, Germany, Great Britain, Japan, Norway, Denmark and Morocco with small quantities.

The other kinds of fish, including fresh, smoked and canned salmon, anchovy, smoked herrings, fish oils, and pickled fish of various qualities, are all grouped under the heading "preserved fish n.o.p." Imports decreased considerably, from 682 tons at \$180,185 to 126 tons at \$51,409 in 1939. Portugal

again occupied first position among sources of supply with \$25,331 (\$59,000), followed by the United States, \$8,772 (\$8,730); Great Britain, \$4,886 (\$8,110); Japan, \$1,897 (\$24,720); Germany, \$1,866 (\$3,570); France, \$1,693 (\$1,370); Italy, \$1,029 (\$3,400); and European Russia, \$1,020 (\$1,305). Small shipments came from Norway, Spain, Denmark, Sweden, Egypt, Syria, Letland, Morocco, and Finland. Holland shipped to the value of \$10,000 in 1938, but failed to ship any in 1939.

### WHEAT

Imports of wheat decreased from 1,037,160 tons valued at \$30,526,714 in 1938 to 966,835 tons valued at \$18,541,309 in 1939. This decrease is largely the result of measures adopted by the Brazilian Government to reduce the imports of wheat and increase the use of local wheat and substitutes. Argentina as usual supplied almost the entire market requirements, shipping 965,877 tons valued at \$18,511,594 (1,036,961 tons at \$30,410,000). The remainder was supplied by the United States with 930 tons valued at \$28,601 (nil), and Chile with 28 tons valued at \$1,114 (nil).

### WHEAT FLOUR

Imports of wheat flour declined from 42,982 tons worth \$1,913,041 in 1938 to 33,738 tons valued at \$959,367 in 1939. Argentina, shipping 16,038 tons valued at \$407,477 (23,343 tons at \$1,042,000), continued to dominate the market. Uruguay with 13,506 tons valued at \$327,440 (15,713 tons at \$591,900) was second among suppliers, followed by the United States with 4,019 tons valued at \$217,907 (3,636 tons at \$258,200). Canadian shipments decreased from 290 tons valued at \$14,600 in 1938 to 175 tons valued at \$6,535 in 1939.

### MALT

Imports of malt, which had increased steadily since 1936, showed a decrease, from 16,488 tons valued at \$1,466,427 in 1938 to 12,565 tons valued at \$894,819 in 1939. Hungary with 3,366 tons valued at \$212,894 (4,075 tons at \$369,900) took first position in both tonnage and value from Czecho-Slovakia with 1,976 tons at \$171,705 (3,647 tons at \$384,100). The United States, showing a considerable increase to 1,907 tons valued at \$160,501 (21 tons at \$1,920), occupied third place, followed by Chile, 1,751 tons valued at \$119,401 (1,128 tons at \$80,700); Poland, 1,519 tons at \$93,352 (4,498 tons at \$337,900); Belgium, 1,060 tons at \$66,416 (72 tons at \$5,220); and Denmark, 539 tons at \$36,925 (1,601 tons at \$136,900). Imports from Canada showed an encouraging increase, from 48 tons valued at \$3,571 in 1938 to 448 tons valued at \$33,565.

### JAPANESE RICE CROP

Mr. C. M. Croft, Commercial Secretary of the Canadian Legation at Tokyo, writes under date November 14, 1940, that a second survey has been made by the Japanese Department of Agriculture and Forestry of the rice crop conditions for 1940. Based on this recent survey, the crop of rice is estimated at 299,958,083 bushels, which is 13,114,290 bushels or 4·2 per cent below the first estimate. The rice crop in 1939 was 342,063,761 bushels, the current estimate of the 1940 crop thus showing a reduction of over 42 million bushels or 12·3 per cent. The average crop during the last five years amounted to 323,342,000 bushels, and the estimated crop for 1940 will, therefore, be some 23,384,000 bushels or 7·2 per cent below normal. The reduction in the 1940 crop is attributed to damage by insects and crop disease and also to the fact that grains of rice in some districts are smaller than usual.



## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### OPEN GENERAL LICENCES AS AT DECEMBER 2, 1940

With reference to *Commercial Intelligence Journal* No. 1900 (June 29, 1940), page 1036, reproducing the principal sections of Notice No. 76, issued June 5, 1940, by the British Board of Trade explanatory of the import licensing system in effect at that time, a new Notice, No. 106, summarizes the regulations in force as at December 2, 1940. The new Notice reads:—

1. Under the Import of Goods (Control) Order, 1940, which came into force on the 10th June, 1940, no goods (except live quadruped animals) may be imported into the United Kingdom except under the authority of a licence granted by the Board of Trade.

2. A separate licence is not required for any goods covered by an Open General Licence in force on 1st December, 1940, which are proved to the satisfaction of the Commissioners of Customs and Excise to have been dispatched to the United Kingdom before 2nd December, 1940, and are imported into the United Kingdom before 2nd February, 1941. Particulars of the goods so covered can be obtained from the Import Licensing Department, or from The Secretary, Custom House, London, E.C.3.

3. A separate licence is not required for the importation of goods shown in Appendix I which are proved to the satisfaction of the Commissioners of Customs and Excise to have been dispatched to the United Kingdom before the date shown in the first column of that Appendix, and which are imported into the United Kingdom within two months of that date.

4. The Board of Trade have issued an Open General Licence for:—

(a) Goods shown in Appendix II consigned from any country.

(b) Goods shown in Appendix III which are consigned from (i) any part of the British Empire (except Hongkong, Palestine and Transjordan), subject to the condition that a claim to Imperial Preference is established in respect of any duty of Customs to which the goods as a whole may be liable on importation into the United Kingdom, (ii) Palestine and Transjordan, and (iii) French Equatorial Africa, French Cameroons, French Possessions in India or French Possessions in the Pacific.

(c) [Goods from Eire.]

(d) [Bristles from British India.]

(e) [Cotton from Egypt and the Anglo-Egyptian Sudan.]

Except as provided in paragraphs 2 and 3, the Open General Licence cancels all previous Open General Licences.

5. Importers are warned that they should not arrange to ship any goods to the United Kingdom until they have obtained a licence or ascertained definitely that a licence will be granted or that a separate licence is not required.

6. The Order applies also to goods sent by post.

7. Except for arms and ammunition, plumage and dyestuffs (as defined in Appendix VI) and also postage stamps of philatelic interest and similar articles licences will not be required to import the following:—

(a) Personal and household effects whether accompanying the traveller or not, provided that the goods are not being imported as merchandise or for sale.

(b) Trade samples whether imported as cargo or through the post.

(c) Gifts, other than foodstuffs, brought in by a traveller or sent by post from a private sender to a private addressee.

(d) Bona fide unsolicited gifts of foodstuffs sent by post to a private addressee.

Eligibility for these concessions must in each case be established to the satisfaction of the proper Officer of Customs and Excise.

8. The attention of importers is directed to the fact that these regulations, and the list of goods which may be imported without separate licence, are subject to alteration; the position set out in this Notice is a summary of the regulations in force at the 2nd December, 1940. Changes are announced in Notices to Importers issued from time to time by the Import Licensing Department of the Board of Trade. These Notices set out the procedure to be adopted in making applications for licences. It is pointed out that the procedure varies somewhat according to the class of goods which it is desired to import and importers should consult the Notice relating to the particular class of goods in which they are interested.

9. [Inquiries to Custom House, London.]

10. Applications for licences should be addressed to the Import Licensing Department, 25, Southampton Buildings, Chancery Lane, London, W.C.2, except for the goods shown in Appendix V. Forms of application may be obtained from the Import Licensing Department or from any of the offices of H.M. Collectors of Customs and Excise.

### APPENDIX I

GOODS WHICH CAN BE IMPORTED WITHOUT LICENCES IF DESPATCHED TO THE UNITED KINGDOM BEFORE THE DATES SPECIFIED (SEE PARAGRAPH 3).

October 9, 1940

Wire drawing dies (whether mounted or not) of diamond or metallic carbide.  
Waste, wholly or mainly of cotton, if consigned from the British Empire (except Hongkong, Palestine and Transjordan), from Egypt or from the Anglo-Egyptian Sudan.

November 23, 1940

Potatoes (including seed potatoes), if consigned from Eire.

### APPENDIX II

GOODS WHICH CAN BE IMPORTED WITHOUT SEPARATE LICENCES IF CONSIGNED FROM ANY COUNTRY.

Fish, fresh (other than frozen) and wet salted.\*

Shellfish, fresh or boiled (not being in airtight containers), the following: Prawns; shrimps; winkles; mussels; cockles.

Animal ivory, raw, whether whole tusks or sections of tusks, not cut to shape or in any way prepared, treated or worked.

Bauxite.

Books, printed and other printed matter for reading purposes, music, catalogues, trade lists, advertising material, manuscripts, typescripts and like products of duplicating machines, imported as a single copy through the post.

Carbon black from natural gas or acetylene.

Chemicals in list 8 in Part 5 of the Customs and Excise Tariff dated January 1, 1940, shown as liable to Key Industry Duty, except (1) those shown in List A of this Notice, and (2) synthetic organic dyestuffs and intermediates (see definition in Appendix VI).

Coal.

Coke and manufactured solid fuel.

Cork, raw and granulated.

Cork shavings and waste.

Cryolite, natural and synthetic.

Designs, architectural or engineering.

Film, cinematograph (standard width), unexposed.

Film, cinematograph, exposed.

Gold ores, concentrates and residues.

Gold bullion.

Gold coin.

Hydrographic charts.

Maps and plans.

Newspapers.

Press photographs.

Rubber, raw, rubber latex; raw gutta percha and balata; but not including crepe, reclaimed and waste rubber.

Silver ores, concentrates and residues.

Tin ores, concentrates and residues.

Pigeons (live), imported under Air Ministry Licence.

### LIST A

*Chemicals (other than Dyestuffs) liable to Key Industry Duty which require Import Licences.*

(Same as list of chemicals in Notice 76, with addition of methyl alcohol after "metalddehyde".)

### APPENDIX III

GOODS WHICH CAN BE IMPORTED WITHOUT SEPARATE LICENCES IF CONSIGNED FROM (i) ANY PART OF THE BRITISH EMPIRE (EXCEPT HONGKONG, PALESTINE AND TRANSJORDAN), PROVIDED THAT A CLAIM TO IMPERIAL PREFERENCE IS ESTABLISHED IN RESPECT OF ANY DUTY OF CUSTOMS TO WHICH THE GOODS AS A WHOLE MAY BE LIABLE ON IMPORTATION INTO THE UNITED KINGDOM, (ii) PALESTINE AND TRANSJORDAN, OR (iii) FRENCH EQUATORIAL AFRICA, FRENCH CAMEROONS, FRENCH POSSESSIONS IN INDIA OR FRENCH POSSESSIONS IN THE PACIFIC.

Antimony ores, concentrates and residues.

Antimony, crude and semi-manufactured.

\* Open general licence admitting wet salted fish revoked as from December 9, 1940.

Beeswax.  
 Bones, horns and hoofs.  
 Coir fibre and coir yarn.  
 Cotton, raw.  
 Cotton linters.  
 Crude cobalt—iron—copper alloy.  
 Essential oils, natural or synthetic, including terpeneless oils, and mixtures thereof.  
 Glue stock.  
 Graphite, natural and artificial.  
 Jute, raw.  
 Kyanite.  
 Mica, slabs, splittings, ground and waste.  
 Monazite sand.  
 Nickel ores, concentrates, residues and matte.  
 Shellac.  
 Sillimanite.  
 Tin, in blocks, ingots, bars and slabs.  
 Vegetable fibres of the following varieties, not further dressed after scutching or decorticating:  
   Bahia piassava (*attalea funifera*), Para piassava (*leopoldinia piassaba*), African piassava  
   (*raphia vinifera*, *raphia gaertneri*), Gumati or Gomuti fibre (*arenga saccharifera*).

#### APPENDIX IV

[GOODS WHICH REQUIRE SEPARATE LICENCES IF CONSIGNED FROM EIRE.]

#### APPENDIX V

[GOODS FOR WHICH APPLICATIONS FOR IMPORT LICENCES SHOULD BE SENT TO SOME ADDRESS OTHER THAN THE IMPORT LICENSING DEPARTMENT.]

#### APPENDIX VI

DEFINITIONS OF ARMS AND AMMUNITION, PLUMAGE AND DYESTUFFS (Same as definitions in Notice No. 76).

### Australia

#### LICENSING OF SHEET NEWSPRINT AND PECTIN

With reference to the article in *Commercial Intelligence Journal* No. 1906 (August 10, 1940), page 232, on rationing of newsprint for rationed publications, the Canadian Trade Commissioner in Sydney has advised that, effective January 1, 1941, imports of newsprint in sheets not less than 20 inches by 25 inches or its equivalent, used for other purposes, will also be reduced, irrespective of origin. The reduction in this case is to be 15 per cent as compared with imports for the base year ending June 30, 1939. Effective the same date quotas of fruit pectin in bulk will be increased by 100 per cent of the value of imports during the base year. Formerly licences for fruit pectin in bulk were issued up to 100 per cent of base-year imports (see *Commercial Intelligence Journal* No. 1907: August 17, 1940, page 272).

### British West Indies (Eastern Group)

#### PREFERENTIAL REGULATIONS FOR TRANSHIPPED GOODS

Mr. G. A. Newman, Acting Trade Commissioner at Port-of-Spain, Trinidad, writes that, where through bills of lading are not available under war conditions for shipments from Canada routed through the United States to the British West Indies, the customs authorities of Antigua, St. Kitts-Nevis, Montserrat and Virgin Islands, St. Vincent and Dominica, are willing to accept the prescribed certificate of origin, properly completed, as sufficient evidence to secure British preferential treatment of such shipments. The modified regulations for these colonies are similar to those for Barbados as set forth in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 609.

For preferential treatment in Trinidad, British Guiana, St. Lucia and Grenada, such shipments require an ocean bill of lading from the United States port with a certificate, signed by the steamship company before the British consul, that the goods have passed through such foreign country in bond, giving the Empire country of production and the number of the bonded cars. In this case the certificate of origin should also be attested by the British consul.



### Virgin Islands

#### DUTY REDUCED ON WIRE FOR FENCING

An Ordinance of Virgin Islands, British West Indies, dated October 26, 1940, reduces the British preferential tariff rate on wire for fencing from 8 per cent to 5 per cent ad valorem, and the general tariff rate from 18 per cent to 7½ per cent ad valorem. Canada is accorded the British preferential tariff rate.

### Argentina

#### EXCHANGE RATE FOR COLLECTION OF CONSULAR FEES

With reference to the notice in *Commercial Intelligence Journal* No. 1924 (December 14, 1940), page 792, Mr. Saul Aguilar, Consul General of Argentina in Ottawa, advises that the rate of exchange in force as from January 2, 1941, for the purpose of the collection of consular fees is \$27.36 Canadian per 100 Argentine paper pesos.

### Ecuador

#### EXCHANGE CONDITIONS

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes under date December 24 that the present rate of dollar exchange in Ecuador is 15 sucres and for sterling is 60·60 sucres. The delay in payments for imports is at present about 10 to 15 days. Regarding terms of payment, credit facilities up to 90 days could be granted provided the Ecuadorian importer can be considered first class.

Imports into Ecuador are subject to permits which are given to importers on a quota basis in proportion to their capital and volume of previous imports. Certain restrictions are maintained on the import of luxury goods and of merchandise competing with local manufactures, but Canadian exports are probably little affected under this heading.

## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Mexico

#### A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, December 30, 1940.—Mexico has no exchange control. At present there is no scarcity of United States dollars; in fact, foreign exchange is available to cover all imports without delay.

### Honduras

Foreign exchange cannot be obtained freely from the banks in Honduras; applications have to be made to the Comisión de Control de Cambios Extranjeros. In the early part of 1940 three or four months sometimes elapsed before the applicants received the exchange for which they had asked. Recently, however, the position has improved, and applications for dollars and sterling are being granted in a week or so, provided they are for bona fide commercial transactions.

### Guatemala

There is no exchange control in Guatemala. United States dollar drafts are freely negotiated in the open market. The quetzal, the Guatemalan currency unit, is on a parity with the United States dollar. United States dollar drafts are sold by the Banco Central at the rate of \$100 for Q101; in addition, there is a fiscal stamp charge of 25 centavos per \$100 or fraction thereof.

The gold reserves of the Central Bank are very strong, and at the time of writing there would appear to be no reason to fear any exchange control in the near future.

## El Salvador

There are no exchange restrictions in El Salvador, and all commercial requirements are easily obtainable. Since the founding of the Central Bank in July, 1934, exchange has been practically fixed; buying and selling rates for the general public have been fixed at 2.49 and 2.51 colones per dollar respectively. Foreign banks established in the country may freely buy from and sell to the Central Bank at the fixed rates of 2.50½ and 2.49½ colones respectively. These are the official rates of exchange. Local banks buy and sell at present at 2.50¼ and 2.50¾ colones respectively. During the coffee season, which is approaching and when exchange is more plentiful, the exchange usually drops one-half point; but that is the most it can fluctuate, since the Central Bank operates freely at the rates mentioned above.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 6, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 6, 1941, and for the week ending Monday, December 30, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 30	Nominal Quotations in Montreal Week ending Jan. 6	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Yugoslavia . . . . .	Dinar	.0176	.0249	.0249	5
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2645	.2644	3½
Switzerland . . . . .	Franc	.1930	.2576	.2575	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2271	.2274	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2616	.2614	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6354	.6354	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4382	.4382	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0602	.0606	—
Hongkong . . . . .	Dollar	.....	.2622	.2617	—
India . . . . .	Rupee	.3650	.3227	.3227	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—  
Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Flour.....	1	Port of Spain, Trinidad...	Agency
<b>Miscellaneous—</b>			
Drugs and Medicines.....	2	Durban, South Africa.....	Agency.
Upholstery Fabrics.....	3	Lima, Peru.....	Agency.
Footwear, Canvas, Rubber-soled.	4	Lima, Peru.....	Agency.
Leather, Calf, Kid and Suede...	5	Lima, Peru.....	Agency.
Ground Straps and Connector Terminals, complete with Bolts, for Automobile Bat- teries.....	6	Dublin, Ireland.....	Purchase.



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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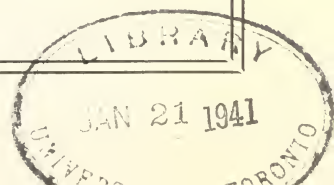


**Pit Props in a New Brunswick Lumber Yard awaiting Shipment to  
Great Britain**

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER





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No. 1929

## FOREIGN TRADE OF THE UNITED STATES, JANUARY-SEPTEMBER, 1940

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, January 7, 1941.—The effects of the war are clearly recorded in the United States foreign trade for the first nine months of 1940, with both exports and imports showing a substantial increase in quantity and value over the corresponding period of 1939. Although certain markets have been cut off from this country, other nations formerly dependent upon Europe for their supplies and export outlets have now turned to the United States. The exceptionally heavy demands of Canada, the United Kingdom, Australia and South Africa for war materials are reflected in the very large exports of United States goods to these countries. On the other hand, the United States has been importing large supplies of such commodities as crude rubber, tin and manganese, which are essential materials needed for defence requirements.

### TRADE WITH CANADA AND GREAT BRITAIN

During the first nine months of 1940 total trade with Canada rose in value to \$802,779,000 from \$567,448,000 in the like period of 1939 and accounted for 16.4 per cent of the total trade of this country. United States exports to Canada increased from \$336,618,000 to \$511,729,000 in the January-September period of 1940, while imports from Canada increased from \$230,830,000 to \$291,050,000. Total United States trade with the United Kingdom increased from \$482,087,000 to \$799,113,000 for the nine-month period of 1940 and accounted for 16.3 per cent of the total foreign trade. Exports to the United Kingdom increased from \$370,893,000 to \$697,888,000, while imports declined from \$111,194,000 to \$101,225,000. Total trade with Canada and the United Kingdom combined rose from \$1,033,282,000 to \$1,601,892,000 and accounted for 32.7 per cent of the total foreign trade of the United States.

### EXPORTS AND IMPORTS

The value of United States exports for the January-September period of 1940 amounted to \$3,029,988,000, an increase of 38.7 per cent over the value of \$2,184,700,000 for the corresponding period of 1939. Imports for consumption in the United States for the first nine months of 1940 were valued at \$1,871,416,000 as compared with \$1,621,731,000, a gain of 15.4 per cent. Thus the total trade for the first nine months of 1940 amounted to \$4,901,404,000, a gain of 29 per cent over the total of \$3,806,431,000 for the 1939 period.

### GOLD AND SILVER MOVEMENTS

Gold imports into the United States for the first nine months of 1940 were exceedingly heavy as a result of settlement of trade balances, investment, and

the inflow of funds seeking safety in this country. The imports for this period amounted to \$3,956,195,000 as compared with \$2,885,745,000 in the similar period of 1939. It is of interest to note that of the total imports Canada supplied \$2,056,660,000; the United Kingdom, \$630,320,000; France, \$241,778,000; South Africa, \$169,244,000; and Sweden, \$161,489,000.

Exports of gold for the period amounted to \$4,970,000, nearly all of which was shipped to Bolivia.

Imports of silver totalled \$44,166,000, of which Mexico shipped \$18,423,000; Japan, \$7,513,000; Canada, \$6,112,000; and Peru, \$4,715,000. Silver exports totalled \$3,396,000, of which \$1,254,000 was sent to British India, \$804,000 to Roumania, and \$625,000 to Canada.

### PRINCIPAL MARKETS

United States exports to the six grand divisions of the world in the January-September period of 1940 showed increases ranging from 19·7 per cent for Asia to 57·9 per cent for South America over the corresponding period of 1939.

The following tables show the values of United States exports to various British Empire countries and other principal foreign countries for the first nine months of 1940 as compared with the first nine months of 1939:—

#### *United States Exports to Principal Countries*

	Jan.-Sept., 1940	Jan.-Sept., 1939	Inc. or Dec. Per Cent
British Empire countries—			
United Kingdom . . . . .	\$697,888,000	\$370,893,000	+ 88.0
Canada . . . . .	511,729,000	336,618,000	+ 53.0
Union of South Africa . . . . .	71,525,000	51,303,000	+ 39.0
Australia . . . . .	57,355,000	43,950,000	+ 31.0
British India . . . . .	48,984,000	26,338,000	+ 86.0
New Zealand . . . . .	13,634,000	13,136,000	+ 3.8
Ireland . . . . .	5,910,000	7,023,000	— 17.0
Other countries—			
France . . . . .	252,796,000	119,637,000	+112.0
Japan . . . . .	165,275,000	155,099,000	+ 6.0
Argentina . . . . .	91,062,000	43,446,000	+110.0
Brazil . . . . .	82,565,000	50,741,000	+ 63.0
Soviet Russia . . . . .	62,727,000	28,807,000	+118.0
China . . . . .	62,250,000	34,834,000	+ 80.0
Italy . . . . .	52,166,000	37,910,000	+ 38.0
Netherlands . . . . .	34,208,000	64,859,000	— 47.0
Belgium . . . . .	24,999,000	48,405,000	— 49.0

About one half of the United States export trade for the 1940 period was with British Empire countries, Canada and the United Kingdom, the two leading purchasers, taking 40 per cent of total exports. Shipments to the United Kingdom, accounting for 23 per cent of the exports, were valued at \$697,888,000 a gain of 88 per cent over the total of \$370,893,000 for the corresponding period of 1939. Exports to Canada accounted for 16·9 per cent of the total exports and were valued at \$511,729,000, an increase of 53 per cent over the total of \$336,618,000 in the January-September period of 1939. Exports to South Africa, Australia, India, New Zealand and Malaya showed increases, while declines were recorded in shipments to Ireland and Hongkong.

Exports to other principal foreign countries, with the exception of Belgium, Netherlands and Norway, showed considerable increases. France remained the leading buyer due to heavy purchases made during the first six months of 1940.

### EXPORTS OF PRINCIPAL COMMODITIES

The following table shows the values of the twenty chief exports from the United States during the January-September period of 1940 and the corresponding period of 1939:—



*Twenty Chief Exports According to Value*

	Jan.-Sept., 1940	Jan.-Sept., 1939	Inc. or Dec. Per Cent	Per Cent Total Value*
	\$1,000	\$1,000		
Aircraft, parts and accessories. . . . .	221,580	78,239	+ 183.2	7.5
Unmanufactured cotton . . . . .	190,296	121,964	+ 56.0	6.4
Automobiles, parts and accessories. . .	180,478	190,127	— 5.1	6.1
Power driven metal-working machinery	163,576	82,130	+ 99.2	5.5
Electrical machinery and apparatus . .	85,864	75,016	+ 14.5	2.9
Lubricating oil . . . . .	77,995	60,025	+ 29.9	2.6
Iron and steel plates, sheets, skelp and strips. . . . .	75,424	35,485	+ 112.6	2.5
Refined copper in ingots, bars or other forms. . . . .	70,678	53,638	+ 31.8	2.4
Coal and coke . . . . .	70,130	44,023	+ 59.3	2.4
Steel ingots, blooms, slabs . . . . .	62,657	3,415	+ 1,734.8	2.1
Agricultural machinery and implements	61,843	54,122	+ 14.3	2.1
Crude petroleum . . . . .	53,352	71,043	— 24.9	1.8
Iron and steel bars and rods . . . . .	47,197	10,196	+ 362.9	1.6
Gasoline . . . . .	46,898	72,062	— 34.9	1.6
Iron and steel scrap . . . . .	40,018	40,010	+ 0.01	1.4
Industrial chemicals . . . . .	39,917	21,832	+ 82.8	1.3
Tin plate and taggers' tin . . . . .	38,706	18,687	+ 107.1	1.3
Merchant vessels . . . . .	38,365	854	+ 4,392.4	1.3
Leaf tobacco. . . . .	35,287	60,845	— 42.0	1.2
Iron and steel tubular products . . . .	34,691	14,162	+ 145.0	1.2

\* These percentages refer, of course, to total value of domestic exports in the 1940 period.

Exports of finished manufactures, semi-manufactures and crude materials showed large increases in value for the first nine months of 1940 over that period of the previous year, while the exports of manufactured foodstuffs and beverages and crude foodstuffs registered declines.

## AIRCRAFT

The wars in Europe and the Far East have created a large demand for United States aircraft. As a result, aircraft, parts and accessories, accounting for 7.5 per cent of the total United States exports for the January-September period of 1940, became the leading export commodity, displacing raw cotton and automobiles. The total value of aircraft exports for the three quarters of 1940 was \$221,580,000 as compared with \$78,239,000 in the 1939 period, a gain of 183.2 per cent. Exports consisted of 2,443 powered land planes and 3,337 aircraft engines.

## COTTON

Exports of unmanufactured cotton for the January-September period of 1940 totalled 1,815,130,000 pounds valued at \$190,296,000 as compared with 1,325,576,000 pounds at \$121,964,000 in the like period of 1939, a gain of 36.9 per cent by quantity and 56 per cent by value. The average export price of cotton advanced from 9.2 cents to 10.5 cents per pound.

## AUTOMOBILES

During the first nine months of 1940 United States exports of automobiles, parts and accessories fell to third place among the leading exports. They were valued at \$180,478,000 as against \$190,127,000 in the 1939 period, a decline of 5.1 per cent. Shipments of passenger cars totalled 66,787 units, a decline of 38 per cent, while exports of motor trucks declined 15 per cent to 73,624 units. Exports of both automobile engines and tires were below those for the 1939 period.

## MACHINERY

There was a continued heavy demand for United States machinery. During the first nine months of 1940 the value of machinery exports totalled \$482,668,000,

an increase of 29 per cent over the 1939 January-September value. Shipments of power-driven metal-working machinery, constituting 5.5 per cent of the value of total exports for the January-September period of 1940, totalled \$163,576,000, a gain of 99.2 per cent over the exports for the 1939 period valued at \$82,130,000. The value of exports of electrical machinery and apparatus totalled \$85,864,000, an increase of 14.5 per cent over the total of \$75,016,000 for the corresponding 1939 period. Shipments of agricultural machinery and implements amounted to \$61,843,000 as compared with \$54,122,000 in the first nine months of the previous year, a gain of 14.3 per cent. Exports of construction and conveying machinery registered gains over the previous year, while shipments of well and refinery machinery showed declines.

#### FIREARMS AND ORDNANCE

United States exports of firearms and ordnance for the first nine months of 1940 amounted to \$21,965,000 as compared with \$1,464,000 in the first nine months of 1939. Increases were registered in shipments of machine guns, heavy ordnance guns and carriages, rifles and ammunition. Exports of explosives increased from \$2,190,000 in the January-September period of 1939 to \$15,467,000 in the like period of 1940.

#### METALS AND METAL PRODUCTS

The heavy foreign demand, especially from the United Kingdom, Canada and South America, for semi-finished iron and steel mill products resulted in the exports of these products in the first nine months of 1940 reaching a total of 7,910,000 tons valued at \$376,463,000, as against 4,279,000 tons at \$152,111,000 in the corresponding period of the previous year, an increase of 85 per cent by quantity and 148 per cent by value. Exports of iron and steel plates, sheets, skelp and strips were valued at \$75,424,000, a gain of 112.6 per cent over the 1939 three-quarters' value of \$35,485,000. Shipments of iron and steel bars and rods totalled \$47,197,000 as compared with \$10,196,000 in the previous period. Exports of iron and steel tubular products amounted to \$34,691,000 as compared with \$14,162,000 in the like period of 1939. Shipments of steel ingots, blooms and slabs were valued at \$62,657,000 as compared with \$3,415,000 in the first nine months of 1939, while exports of iron and steel scrap totalling \$40,018,000 were almost the same as in the 1939 period.

Exports of refined copper during the January-September period of 1940 amounted to 603,206,000 pounds at \$70,678,000 as compared with 520,387,000 pounds at \$53,638,000 in the corresponding period of 1939, a gain of 15.9 per cent by volume and 31.8 per cent by value.

#### AGRICULTURAL PRODUCTS

The loss of the European market to certain United States commodities is clearly reflected in the exports of leaf tobacco for the first nine months of 1940. Shipments amounted to 182,945,000 pounds at \$35,287,000 as against 246,466,000 pounds at \$60,845,000, a decline of 25.8 per cent by volume and 42 per cent by value. Other commodities registering declines over the previous period included wheat, wheat flour, oil cake and oil meal, and oranges. On the other hand such commodities as corn, condensed and evaporated milk, refined sugar, and cornstarch and corn flour recorded gains.

#### CHEMICALS AND RELATED PRODUCTS

Exports of chemicals and related products during the first nine months of 1940 were valued at \$168,988,000, an increase of 56 per cent over the figure

for the like period of 1939. Gains were registered by industrial chemicals, coal tar products, medicinal and pharmaceutical preparations, pigments, paints and varnishes, and crude sulphur and sodium products.

#### PETROLEUM AND PRODUCTS

United States exports of petroleum and products, with the exception of lubricating oil and petroleum asphalt, were below those for the January-September period of 1939. Shipments of lubricating oil amounted to 2,659,182,000 pounds valued at \$77,995,000 as compared with 2,623,687,000 pounds at \$60,025,000 in the 1939 period, an increase of 1.4 per cent by volume and 29.9 per cent by value. Gasoline exports declined 49.2 per cent by volume and 34.9 per cent by value from the amounts for the first nine months of 1939; gas oil and fuel oil decreased 33.5 per cent by volume and 33.9 per cent by value; and crude petroleum declined 26.5 per cent by volume and 24.9 per cent by value.

#### IMPORT TRADE

The total value of imports into the United States for the first nine months of 1940 amounted to \$1,871,416,000 as compared with \$1,621,731,000 in the like period of 1939, an increase of 15.4 per cent. With the exception of Europe, which registered a decline of 33.6 per cent, imports from all other grand divisions of the world showed gains ranging from 7.5 per cent for Oceania to 70.3 per cent for Africa.

The following table shows the value of United States imports from British Empire countries and other principal foreign countries for the January-September period of 1940 as compared with the first nine months of 1939:—

#### *United States Imports from Principal Countries*

	Jan.-Sept., 1940	Jan.-Sept., 1939	Inc. or Dec. Per Cent
British Empire countries—			
Canada . . . . .	\$291,050,000	\$230,830,000	+ 26.0
British Malaya . . . . .	193,794,000	94,941,000	+102.0
United Kingdom . . . . .	101,225,000	111,194,000	— 9.0
British India . . . . .	78,823,000	50,134,000	+ 57.0
Union of South Africa . . . . .	40,768,000	20,085,000	+103.0
Australia . . . . .	14,550,000	10,735,000	+ 36.0
New Zealand . . . . .	6,219,000	8,974,000	— 31.0
Other countries—			
Netherlands Indies . . . . .	122,441,000	59,068,000	+107.0
Japan . . . . .	103,120,000	104,628,000	— 1.4
Brazil . . . . .	72,746,000	72,682,000	+ 0.1
China . . . . .	67,077,000	39,595,000	+ 69.0
Argentina . . . . .	58,534,000	42,403,000	+ 41.0
France . . . . .	32,813,000	46,835,000	— 30.0
Belgium . . . . .	24,924,000	45,880,000	— 46.0
Italy . . . . .	23,782,000	26,338,000	— 9.7
Soviet Russia . . . . .	17,280,000	19,227,000	— 10.0
Netherlands . . . . .	8,104,000	23,998,000	— 63.0

The British Empire supplied about two-fifths of the United States imports, with Canada and British Malaya furnishing more than one-fourth of the total. Receipts from the United Kingdom and New Zealand were 9 per cent and 31 per cent, respectively, below the totals for the January-September period of 1939. Imports from Canada were valued at \$291,050,000 as compared with \$230,830,000 in the first nine months of 1939, a gain of 26 per cent. United States imports from British Malaya, the second leading source of supply, amounted to \$193,794,000 in the January-September period of 1940 as against \$94,941,000 in the similar 1939 period, a gain of 102 per cent.

Imports from European countries, with the exception of Greece, Spain and Portugal, showed declines ranging from 9.7 per cent for Italy to 46 per cent for Belgium. Receipts from South American countries showed fairly substantial increases.



## IMPORTS OF PRINCIPAL COMMODITIES

The following table shows the values of the chief imports into the United States for the January-September period of 1940 as compared with the corresponding period of 1939:—

*Twenty Chief Imports According to Value*

	Jan.-Sept., 1940	Jan.-Sept., 1939	Inc. or Dec. Per Cent	Per Cent of Total Value*
	\$1,000	\$1,000		
Crude rubber, including latex. . . . .	223,711	119,378	+	87.4
Coffee . . . . .	96,421	100,668	—	4.2
Cane sugar. . . . .	94,313	98,372	—	4.1
Newsprint paper . . . . .	93,008	81,517	+	14.1
Tin bars, blocks, pigs, etc. . . . .	91,096	45,690	+	99.4
Raw silk . . . . .	80,456	75,489	+	6.6
Unmanufactured wool . . . . .	56,597	34,595	+	63.6
Undressed and dressed furs. . . . .	55,538	38,768	+	43.2
Wood-pulp . . . . .	47,704	49,445	—	3.5
Copper ore, concentrates and regulus. . . . .	47,082	29,921	+	57.4
Raw hides and skins, except furs . . . . .	37,642	33,671	+	11.8
Burlaps . . . . .	35,678	20,924	+	70.5
Diamonds, including industrial. . . . .	32,870	31,637	+	3.9
Liquors, distilled . . . . .	30,181	33,484	—	9.9
Nickel and alloys . . . . .	29,755	19,781	+	50.4
Unmanufactured tobacco . . . . .	27,842	27,738	+	0.4
Cocoa, or cacao, beans . . . . .	23,520	20,330	+	15.7
Crude petroleum . . . . .	22,743	17,345	+	31.1
Bananas . . . . .	22,327	22,274	+	0.2
Fish . . . . .	22,124	23,015	—	3.9

\* These figures refer solely to 1940 values.

During the first nine months of 1940 purchases of crude materials, semi-manufactures and foodstuffs recorded substantial increases in value and quantity over the 1939 period, while those of finished manufactures and manufactured foodstuffs and beverages showed declines. In addition, it was found necessary to increase the supplies of strategic and critical defence materials, such as rubber, tin, manganese and chromium, for emergency needs.

## CRUDE RUBBER

Imports of crude rubber for the first nine months of 1940 were the highest on record for any similar period. They amounted to 1,282,403,000 pounds at \$223,711,000 as compared with 761,041,000 pounds at \$119,378,000 in the corresponding period of 1939, a gain of 68.5 per cent by volume and 87.4 per cent by value. The figures include shipments under the "British Agreement". The average import price of rubber advanced from 15.7 cents per pound in the preceding year to 17.4 cents per pound.

## COFFEE

Receipts of coffee also set a new high for a nine-month period, although the value was down. The total was 1,494,166,000 pounds at \$96,421,000 as compared with 1,414,961,000 pounds at \$100,668,000 in the 1939 period, an increase of 5.6 per cent in quantity and a decline of 4.2 per cent in value. The average import price of coffee declined from 7.2 cents to 6.9 cents per pound.

## CANE SUGAR

Cane sugar imports for the January-September period of 1940 amounted to 4,774,625,000 pounds at \$94,313,000 as compared with 4,541,074,000 pounds at \$98,372,000 in the corresponding period of 1939, an increase of 5.1 per cent by quantity and a decrease of 4.1 per cent by value.

## NEWSPRINT AND WOOD-PULP

United States imports of standard newsprint paper amounted to 4,116,507,000 pounds at \$93,008,000 as compared with 3,681,508,000 pounds at \$81,517,000 for the first nine months of 1939, a gain of 11·8 per cent by volume and 14·1 per cent by value. Imports of wood-pulp for the 1940 nine-month period totalled 2,030,446,000 pounds at \$47,704,000 as against 2,605,120,000 pounds at \$49,445,000 in the like 1939 period, a decline of 22·1 per cent by volume and 3·5 per cent by value. Receipts of pulpwood for the period amounted to 3,933,024,000 pounds at \$9,557,000 as compared with 2,831,308,000 pounds at \$6,811,000, a gain of 38·9 per cent by volume and 40·3 per cent by value.

## TIN

During the first nine months of 1940 the United States imported exceptionally large amounts of tin, the quantity being 201,292,000 pounds at \$91,096,000 as compared with 99,822,000 pounds at \$45,690,000, a gain of 101·7 per cent by quantity and 99·4 per cent by value. A large amount of this tin was stock-pile receipts, which, under an agreement with the International Tin Committee, will be kept off the market until 1944.

## RAW SILK

Imports of raw silk totalled 27,576,000 pounds at \$80,456,000 as compared with 35,015,000 pounds at \$75,489,000 in the first nine months of 1939, a decrease of 21 per cent in quantity and a gain of 6·6 per cent by value. The gain in value is attributed to the fact that the average import price increased from \$2.16 to \$2.92 per pound.

## FURS

Imports of undressed and dressed furs during the January-September period of 1940 were valued at \$55,538,000 as compared with \$38,768,000 in the corresponding period of 1939, a gain of 43·2 per cent. Increases were recorded in the imports of beaver, fox (except silver), muskrat, weasel, and lamb, kid, sheep and goat skin furs, while declines were recorded in the imports of marten, mink and squirrel. Receipts of raw hides and skins were valued at \$37,642,000, an increase of 11·8 per cent over the value of \$33,671,000 for January-September of 1939.

## DISTILLED LIQUORS

During the January-September period of 1940 imports of distilled liquors amounted to 7,527,000 gallons at \$30,181,000 as against 7,551,000 gallons at \$33,484,000 in the like period of 1939, a decrease of 2·9 per cent by volume and 9·9 per cent by value.

## CATTLE

Receipts of cattle for the first nine months of 1940 amounted to 480,000 head at \$12,999,000 as compared with 611,000 head at \$16,966,000 in the similar period of 1939, a decline of 21·4 per cent by quantity and 23·4 per cent by value.

## COPPER

Imports of copper ore, concentrates and regulus amounted to 468,008,000 pounds, the largest amount ever imported in a nine-month period, and were valued at \$47,082,000. These figures compare with 321,688,000 pounds at \$29,921,000 in the January-September period of 1939, showing a gain of 45·5 per cent by quantity and 57·4 per cent by value.

## OTHER COMMODITIES

Other commodities registering gains during the first nine months of 1940 over the like period of 1939 included unmanufactured wool, burlaps, industrial diamonds, nickel and alloys, crude petroleum, gas oil and fuel oil, tung oil, tea, manganese ore, and lumber. Imports of industrial chemicals, flaxseed, fertilizers, meat and meat products, and fish showed declines.

The above report is based on information received from the Foreign Commerce Department, Chamber of Commerce of the United States, and on official statistics published by the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce.

## POULTRY MARKET CONDITIONS IN THE UNITED STATES

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, January 8, 1940.—In view of the accumulation of stocks of poultry in Canada due to the curtailment of shipments to Great Britain, it may be of some interest to review the situation in the United States with a possible view to ultimate sales in this market.

The hatch of chicks last summer throughout the United States was about 8 per cent less than that of the previous year; in the northeastern states it was 14 per cent less. As a result, it can be expected that the production of roasters will be reduced. On the other hand, since broilers and fryers are now produced throughout the year in many sections of the country, a shortage in these categories is not likely.

Canada is primarily interested, however, in marketing the larger chicken of the roaster type. The movement of the latter into storage was quite heavy up to the beginning of November, but since that time it has been declining gradually and it is expected that the supply has now been exhausted.

## POULTRY STOCKS

Storage stocks of all poultry at December 1 were 25 per cent higher than at the same period in the previous year, but this was due mainly to a 43 per cent increase in stocks of fowl and a 21 per cent increase in turkeys. As regards roasters, the increase was no greater than 7 per cent, storage holdings standing at nearly 27 million pounds on December 1. Total stocks of all poultry amounted to 159 million pounds as against 128 million pounds at the same date in 1939, 118 million pounds in 1938, and the 10-year average (1929-38) of 104 million pounds.

## CONSUMPTION TREND

Domestic demand continues to improve, and it is expected that a considerable stimulus will be given by the establishment of training camps for draftees. Industrial expansion has also increased consumer incomes, with a consequent rise in the demand for agricultural products. In addition, smaller supplies of pork will tend to increase consumption of poultry. Taking all these factors into consideration, the holdings of roasters are not considered large and it is felt that the price will increase over the next several months.

## PRICES

Present quotations in New York for dressed poultry show that chickens of 3½ pounds and up are scarce and prices firm. Roasters in iced barrels are being quoted at 24½ to 26½ cents.



Frozen chickens in boxes are quoted as follows per box of twelve: 43 to 47 pounds, 16 to 22 cents; 48 to 54 pounds,  $17\frac{1}{2}$  to  $23\frac{1}{2}$  cents; 55 to 59 pounds,  $18\frac{1}{2}$  to  $24\frac{1}{2}$  cents; 60 to 65 pounds, 19 to 25 cents.

As soon as all fresh-killed supplies are off the market, it is expected that the prices of frozen roasters will increase considerably.

Since the foregoing prices are in United States currency, 10 per cent, or from 2 to  $2\frac{1}{2}$  cents, must be added to obtain a comparable quotation in Canadian funds. On the other hand, Canadian shippers, in calculating equivalent prices, must allow for duty of 6 cents per pound and about 2 cents per pound for transportation and commission. Thus a Canadian quotation of  $20\frac{1}{2}$  cents a pound in Canadian funds f.o.b. Montreal is equivalent to a New York price of  $26\frac{1}{2}$  cents in United States funds. Business might be obtained for government-graded frozen chicken at quotations on such a basis. These quotations are based on Grade B Milkfed, which are equivalent to the best commercial grades in the United States.

## SHORTAGE OF TORCHLIGHT BATTERIES IN THE UNITED KINGDOM

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, November 23, 1940.—Last year there was a great shortage of flashlight batteries in the United Kingdom, due to the fact that the trade had not anticipated the tremendous increase in demand resulting from the blackout regulations.

Large numbers of batteries were imported from abroad, and efforts were made at the same time to obtain Canadian batteries, but with little success, as, with the exception of one important supplier, Canadian manufacturers had no export surpluses. Many of these imported batteries did not reach this country until February and March last, towards the end of the season, so that there are substantial stocks of these batteries on hand to relieve the present situation. However, they will all have to be inspected carefully before going on sale, as many of those purchased last year proved to be outdated and therefore useless.

### IMPORTS ADVISORY COMMITTEE

As a result of last year's experience, the Board of Trade decided that, despite a substantial increase in the production of torch batteries in the United Kingdom during the past year, it would probably be necessary to bring in additional supplies from overseas during the coming winter. To facilitate the issue of import permits, should imports prove necessary, the Torch Battery Imports Advisory Committee was formed, which drew up a list of importers of batteries for the guidance of the Board of Trade.

Any firm wishing to be registered as an importer of batteries was requested to provide information concerning its imports of torch batteries during the year ended May 31, 1940, showing the c.i.f. value, the quantity of each type of battery imported, and the country of origin of imports. This information will form the basis on which any new import permits will be issued, and these firms will be granted import permits on application to the Import Licensing Department, provided supplies are not already available from local manufacturers.

### MAXIMUM RETAIL PRICES

The Board of Trade has just issued two Orders fixing maximum retail prices for the various kinds of electric torch batteries in common use. As a result of these Orders, no one can take advantage of any scarcity to demand

higher prices. The type of speculation encountered last winter will be checked; it was found that batteries had frequently passed through many hands before reaching the public, and on each transaction an addition had been made to the price.

The Central Price Regulation Committee explains that it has not been possible to fix one maximum price for each size of battery, because during the past year a number of smaller manufacturers in the United Kingdom have started business in an attempt to supplement supplies, and obviously these plants cannot compete with the long-established British firms. Therefore provision has been made for the newly established firms to receive slightly more for their batteries than their old-established competitors. Moreover, owing to cost of transportation, currency difficulties, war-risk insurance, import duty, etc., the price of imports must be higher than that of the locally made product. Also the prices of imported batteries must vary according to the country of origin. All these factors have been taken into consideration, with the result that the Central Price Regulation Committee recommended to the Board of Trade that retail selling prices for batteries be established, providing for five separate categories according to the origin of the batteries. This should assure a fair profit to manufacturers, importers, and distributors. In arriving at these prices the question of quality was not considered.

The maximum retail prices for batteries are shown in the following table:—

	Larger British Manu- facturers	Other British Manu- facturers	Imports from United States	"Burgess" Batteries and other Canadian Imports	Imports from Other Countries
1. Bijou (Every-Ready No. 8) ..	3½d.	4½d.	7d.	5d.	3½d.
2. Large unit cell or large mono (Every-Ready U.2) .. . . .	4d.	4½d.	5d.	4½d.	2½d.
3. Medium or baby single cell or small mono. . . . .	3½d.	3½d.	5d.	4d.	2d.
4. Fountain pen or penlite single cell . . . . .	2d.	2d.	4d.	3d.	....
5. Standard flat. . . . .	6d.	7½d.	....	....	....
6. Large twin cell cycle lamp ..	9d.	10½d.	8d.	6d.	....

NOTE.—In some cases two cells are required to load a torch, and these two may be made up into a single battery. In such cases the maximum retail selling price of the 2-cell battery will always be double that of the single cell, except that the price of the 2-cell medium or baby made by the larger British manufacturers (Ever-Ready No. 1839) will be 6d. and not 7d.

The larger British manufacturers whose batteries are governed by the prices mentioned in the first column are: Alpha Accessories, Limited; Britannia Batteries, Limited; A. C. Cossor, Limited; Chloride Electrical Storage Company, Limited; The Ever-Ready Company (Great Britain), Limited; The General Electric Company, Limited; The Gramophone Company, Limited; Invieta Radio, Limited; Marconiphone Company, Limited; Oldham and Son, Limited; Pye, Limited; Siemens Bros. and Company, Limited; Sterling Batteries, Limited; and Vidor, Limited.

#### PURCHASE TAX

Although no addition can be made to the prices of any batteries that were in stock in the hands of retailers up to October 20, any supplies taken into retailers stocks on or after October 21, when the purchase tax came into operation, may be increased in price as follows:—

Price of Battery	Tax Increase
2d. . . . .	½d.
3½d. . . . .	¾d.
4d. or 4½d. . . . .	1d.
5d. or 6d. . . . .	1½d.
7d. . . . .	1¾d.
7½d. . . . .	1¾d.
8d. or 9d. . . . .	2d.
10½d. . . . .	2½d.

The Central Price Regulation Committee has suggested to local manufacturers that, wherever possible, the price be printed on the cover of each battery.

While establishing these maximum prices, the authorities suggest that every economy be observed in the use of torches. It is not yet possible to supply the entire requirements from home production, and therefore in the national interest it is still desirable to limit imports so far as possible and conserve shipping space. It has been pointed out that the larger type of batteries, notwithstanding their greater cost, are more economical in the long run, owing to their longer life. Despite this admonition, there is already a very noticeable shortage in certain of the smaller sizes, particularly the No. 8, and several inquiries for Canadian batteries of this type have already been received at this office.

### DUTIES

On importation into the United Kingdom, flashlight batteries are dutiable at 20 per cent ad valorem. Goods of Empire origin when covered by a properly completed certificate indicating 50 per cent Empire content are duty free.

### NEW TORCH RESTRICTION

A new Order has just been issued to the public in connection with the use of torchlights during the black-out, which limits the diameter circle of light from a torchlight to 1 inch, while the inside lens must be covered by two layers of tissue paper to prevent a clear-cut reflection to the ground, which might be visible to enemy aircraft. Those who find that the circle of light from their torches exceeds 1 inch in diameter must darken the border with enamel, cardboard, or other opaque covering, so that all surplus space on the glass through which the light shines will be blotted out, otherwise they are liable as offenders under the new regulations. The latest type of torch has a frosted glass of the permitted size.

Many more small flashlight cases are in use than large ones, although, despite their bulk, torches with giant heads are preferred in factories or on ships, where a special focussing head enables them to be used with good effect in the examination of machinery, etc. Shops with large stocks of various types of torches continue to find a ready sale for them, but most purchasers prefer the smaller varieties that fit into the pocket readily, hence the great popularity and consequent shortage of the No. 8 battery.

Canadian manufacturers in a position to supply either torches or batteries are requested to communicate with the Canadian Trade Commissioner, Martins Bank Building, Water Street, Liverpool, supplying full particulars of their products.

## IMPORT TRADE SITUATION IN THE NEAR AND MIDDLE EAST

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

### Egypt

Cairo, November 15, 1940.—Since figures showing the volume of imports are not given in the official trade statistics of Egypt for 1940 and since values are not properly comparable with those of last year, having increased considerably as a result of substantial advances in cost of ocean freight and insurance, it is difficult to gauge accurately from official statistics the import trade situation of the country as compared with that of 1939. The best available basis for a fairly adequate estimate of the situation is the customs returns, which amounted to £E.6,819,000 for the nine months ended September 30, 1940,



as against £E.14,001,000 for the corresponding period of 1939, a decrease of over 60 per cent. This indicates an important decline in Egypt's import trade.

[Statistics are not available to explain the wide difference between the foregoing customs returns and the figures of import values shown in an article on the Foreign Trade of Egypt in *Commercial Intelligence Journal* No. 1928, page 38. This article was based on figures received by the United Kingdom Department of Overseas Trade and published in *The Board of Trade Journal* (London). In any case, it appears evident that the volume of merchandise imports declined.—Ed.]

The decline was gradual, but singularly low levels were reached after the declaration of war by Italy, due to the Mediterranean and Red Sea being practically closed to maritime traffic. Of late, however, the shipping situation has eased somewhat, particularly in the Red Sea. With most of her sources of supply in Europe cut off by the war, Egypt is looking to other continents to meet her requirements in imports, and, since stocks of many classes of merchandise are low, importers are keenly interested in establishing contacts with exporters in other countries. It is possible that Canada could take advantage of the services extended by the steamers now plying between United States and Red Sea ports, including Suez, Egypt's busiest port at present, and share in the new business offered in this country, provided, of course, Canadian goods are available for export to this part of the world.

#### OPPORTUNITIES FOR CANADIAN EXPORTERS

Due consideration being given to the almost complete cessation of imports from Europe, to the trend in imports in the past few months and to the inquiries received at the office of the Canadian Trade Commissioner at Cairo, it would appear possible for Canada to develop substantial business with Egypt in a number of commodities, among which may be cited: newsprint; printing, writing, and wrapping paper; cardboard; timber for building purposes; plywood; veneers; insulating board; railway equipment; steel rails; iron and steel products generally; chemicals; medicinal preparations; paints and varnish; leather; furs; rubber manufactures, including tires; automotive equipment; electric apparatus; agricultural machinery; and foodstuffs in general, particularly canned meat, canned fish, canned fruit, and canned vegetables.

Interested Canadian exporters are invited to communicate with the Department of Trade and Commerce, Ottawa, which has on file a large number of inquiries from Egyptian importers for the commodities listed above and for other products, or with the office of the Canadian Trade Commissioner at Cairo.

#### EXCHANGE CONTROL

Exchange control has been in effect in Egypt since September 28, 1939, but sterling is readily available for ordinary business transactions with Canada, and the Canadian Foreign Exchange Control Board permits acceptance of payment in sterling for goods shipped to this country.

#### QUOTATIONS AND TERMS OF PAYMENT

Since the beginning of the war, it has become customary in Egypt to transact business on a f.o.b. basis, freight, insurance and war risks being chargeable to buyers, while letter-of-credit terms are generally accepted.

In order to ensure the import into Egypt of goods for which a documentary credit is opened in the exporting country, the Exchange Control authorities insist, that such credit contains the clause stipulating that payment will only be made against production of "on board" bills of lading, which suggests that quotations on a f.o.r. or f.a.s. basis, so frequently made by Canadian exporters, cannot be entertained.

### SHIPPING FACILITIES

Shipping in the Mediterranean is very irregular. In addition, it would appear that no direct shipments can be effected from Canada to Mediterranean ports, with the result that Alexandria and Port Said, which in the past were the ports of entry for Canadian goods sold in Egypt, cannot be regarded as such at present. There remains Suez, in the Red Sea, which is accessible to Canadian goods through the steamship services operated by various companies between New York and Red Sea ports, via the Cape of Good Hope. Among such companies are the American Export Lines Inc., the United States Navigation Co., and the Isbrandtsen-Moller Line Co., of New York, whose vessels fly the Egyptian, Norwegian and Panama flags respectively. It is reported that other companies operate services to Persian Gulf ports as well. Occasional sailings from other North American ports to Red Sea ports are also reported. Further information in this respect is available on application to the Department of Trade and Commerce, Ottawa.

### CORRESPONDENCE

Surface mail from Canada is often delayed considerably, and exporters would be well advised, when urgent matters or transactions are involved, to communicate with their representatives or clients by transatlantic airmail or by cablegram.

### Palestine

During 1940 the trend in imports into Palestine and the situation regarding sources of supply have been about the same as in Egypt. Stocks have to be replenished, while new sources of supply have to be found to replace those closed by the war.

Should Canadian goods be admitted freely into Palestine, many opportunities would be afforded exporters in the Dominion to participate in that market. But it is the policy of the Palestine authorities to give preference to goods originating in countries within the sterling area. When goods are available in the sterling area, no licences are as a rule granted for the importation of similar goods from other countries, including Canada. In these circumstances it is difficult to advise as to what Canadian products could be sold in Palestine. In fact, import licences may or may not be granted, depending upon the possibility or otherwise, at the time of the application, of obtaining the goods concerned in any of the countries comprised within the sterling group.

As a matter of general information it may be added that not a single product may be imported into Palestine save under licence. Once the import licence has been granted, it is possible for the importer to obtain sterling for payment for Canadian goods. Letter-of-credit terms are generally accepted by the trade, but documentary credits are opened in Canada for payment against "on board" bills of lading only. Canadian exporters should, therefore, avoid requesting payment against inland documents.

Canadian goods destined for Palestine could be shipped to Suez (Egypt) or Basrah (Iraq) and thence by rail to destination.

A number of inquiries forwarded on behalf of Palestine importers or agents from the Cairo office are on file at the Department of Trade and Commerce, Ottawa, and detailed information concerning them is available to interested Canadian firms on application.

### Anglo-Egyptian Sudan

The Anglo-Egyptian Sudan, in common with neighbouring countries, is cut off from several of its usual sources of supply, and difficulties have been

experienced in the past few months in obtaining various classes of merchandise. In the absence of detailed figures, it is difficult to state exactly what are the commodities involved, but broadly speaking it may be said that there are opportunities for the sale of foodstuffs, manufactured goods, and timber.

Letter-of-credit terms and quotations on a f.o.b. basis are generally accepted by the trade. Exchange control is in effect in the Sudan, but sterling is readily available for payment for Canadian goods. The clause providing for payment against "on board" bills of lading is required in documentary credits opened in Canada.

Port Sudan, on the Red Sea coast, is the principal port of entry of the Sudan, and Canadian goods may be shipped to that port.

### Cyprus

Being in the Mediterranean, Cyprus is not easy of access for Canadian goods at present. In addition the policy of the authorities regarding imports is the same as in Palestine. Sales prospects for Canadian goods in the island are consequently not promising at present.

### Syria and the Lebanon

The local Exchange Control Office has no holdings of sterling or of dollars, either United States or Canadian, available for payment for goods from Canada. Import licences are still required, and any request for Canadian goods made by a local importer would be refused if its acceptance required provision by the Exchange Control Office of the necessary foreign exchange. In addition there is a virtual blockade of the Syrian coast, and for some months past trade transactions have been limited to an exchange of goods on a small scale between Syria and Palestine and Egypt by land. It is therefore fairly evident that the present is not propitious for dealings with Syria and the Lebanon.

### Iraq

Under present circumstances it is difficult or impossible for Iraq to obtain a number of commodities from various countries which prior to the war were among her regular suppliers. The principal commodities involved are timber, paper, leather, iron and steel products, canned foodstuffs, and manufactured goods generally.

Sales possibilities for Canadian products in Iraq have always been limited, the commodities sold comprising motor vehicle tires, inner tubes, other rubber manufactures, canned fish, evaporated milk, upper leather, ploughs and parts, and automobile parts. It is considered that under current conditions Canada can increase her already existing trade with Iraq and possibly find a market for a number of manufactured articles, paper, timber, and some other items.

There are no trade or exchange restrictions in Iraq. It is advisable, however, that Canadian firms preferably quote in sterling. F.o.b. quotations are satisfactory; prices f.o.r. and f.a.s. should not be quoted, as difficulties might be experienced in the matter of documentary credits. Letter-of-credit terms are accepted by the trade.

As already intimated in this report (under Egypt), it is reported that shipments can be effected from New York to Basrah (Iraq's chief port) direct. Transshipment can also be made at Bombay or one of the Red Sea ports, a few shipping companies operating steamers which call at those ports and Basrah.

Several inquiries for commodities required by importers or agents in Iraq are on file at the Department of Trade and Commerce, Ottawa.



## Turkey, Greece, and Bulgaria

Subject to existing restrictions, trade with Greece, Turkey, and Bulgaria is largely a question of shipping, and the situation in the Mediterranean does not favour the possibility of shipment of Canadian goods to those countries at present.

## Roumania

Roumania being in enemy occupation, Canadian goods cannot be exported to that country.

## CANADIAN AND MEXICAN TRADE EXCHANGES

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One Mexican peso equals approximately 22½ cents Canadian)

Mexico City, December 16, 1940.—In view of the increasing Canadian trade with Mexico owing to the war, the following short summary of the trade position between Canada and Mexico during the years immediately preceding the war may be of interest. It is based on a report issued by the Banco Nacional de Comercio Exterior, S.A., in Mexico.

The dominant factor in Mexico's trade with the Western Hemisphere, of course, is the United States. Imports from the United States on the average form 97 per cent of Mexico's whole American import trade, and the United States takes about 98 per cent of Mexican exports to American countries. Canada has always occupied second position in Mexican importations from North and South American countries. Canada's share in 1929 was 1·47 per cent. In 1935 the United States' percentage was 98·04, and Canada's 1·17; in 1936 the figures were 97·22 per cent for the United States and 1·77 for Canada. In 1937 the respective shares were 95·39 and 1·65 per cent; in 1938, 97·03 and 1·75; in 1939, 96·96 and 1·64 per cent. Argentina, Venezuela, Paraguay, the Dominican Republic and Cuba, were usually next in order in shipping goods to Mexico during these years.

The following table shows the commercial exchanges between Canada and Mexico in the years just mentioned:—

### *Mexico's Imports from, and Exports to, Canada*

	Imports Pesos	Exports Pesos	Visible Balance Against Mexico Pesos
1929 .. .. .	4,024,313	719,654	3,304,659
1935 .. .. .	3,171,123	92,574	3,078,549
1936 .. .. .	4,997,870	74,883	4,922,987
1937 .. .. .	6,626,223	328,182	6,298,041
1938 .. .. .	5,155,039	168,026	4,987,013
1939 .. .. .	7,035,229	267,104	6,768,125
1935-1939 average.. .. .	5,397,097	186,154	5,010,943

### MEXICAN IMPORTS FROM CANADA

Quantities and values of the principal articles imported into Mexico from Canada in 1938 and 1939, according to Mexican statistics, are given in the following table:—

	1938	1939
	Kilos Pesos	Kilos Pesos
Total.. .. .	5,155,039	7,035,229
Foodstuffs .. .. .	79,915	26,888
Alcoholic drinks .. .. .	4,554	6,756
Fish, shellfish and preserves ..	76,133	63,919

*Mexican Imports from Canada—Concluded*

	1938		1939	
	Kilos	Pesos	Kilos	Pesos
Wearing apparel and other goods	.....	619,167	.....	777,344
Socks	Pairs 49,503	105,538	Pairs 52,276	138,258
Manufactures of celluloid, rubber, etc.	Kilos 27,372	98,712	Kilos 29,600	130,756
Furs	2,193	100,719	1,618	89,427
Manufactures of base metal	2,298	40,661	4,903	82,534
Rubber tires	16,809	55,814	25,627	78,150
Razor blades	Pieces 2,373,325	80,058	Pieces 1,430,200	62,427
Cartridges	199,750	6,110	225,450	14,068
Manufactures of iron or steel, n.o.p.	Kilos 12,508	25,650	Kilos 26,924	32,215
Paint brushes and spiral brushes	961	14,700	2,517	29,520
Cotton wicks	201	6,312	789	26,064
Ready-made wearing apparel	212	6,581	501	18,678
Copper lamps and lanterns	.....	.....	1,671	16,397
Rubber shoes	3,847	13,394	3,339	16,118
Paper, natural colour, white or dyed	113,800	28,294	38,147	13,498
Ready-made varnishes and colours	2,104	3,569	4,576	11,943
Ovens other than electric	1,615	4,989	2,370	11,738
Cotton textiles	1,379	5,163	1,261	5,553
Velvets and corduroy	2,193	22,903	.....	.....
Machinery	.....	868,845	.....	1,247,870
Machines for industry, mining and arts	30,348	115,668	23,177	403,909
Parts of such machines	3		196	
Electric meters	20,086	367,907	11,717	280,655
Iron or steel cable and wire	232,314	256,556	174,679	274,418
Belting	17,460	91,859	25,963	167,329
Agricultural machinery	412	2,177	22,385	53,303
Parts of agricultural machinery	3		32	
Engines and parts	4,498	24,371	7,054	40,649
Insulating coverings	.....	.....	9,470	24,473
Meters, switches, etc.	1,978	10,307	169	3,134
Industrial materials	.....	3,412,283	.....	4,890,861
Salts and oxides	4,271,098	2,085,391	4,295,427	2,135,553
Newsprint	1,357	178	6,886,880	1,462,548
Barley	3,482,880	632,496	3,266,460	662,942
Cellulose paste	.....	.....	987,203	211,913
Bars and sheets of common metal	35,045	96,096	26,443	100,528
Leather and skins, untanned	1,492	151,231	516	99,550
Asbestos sheets and fabrics	3,178	8,588	17,600	66,716
Malt	926,971	330,981	179,485	63,538
Zinc filings	89,309	97,121	49,215	36,000
Colours, not ready-made	22,575	10,111	43,940	22,103
Iron or steel sheets	.....	.....	51,210	19,310
Sundry	.....	174,919	.....	102,426

It will be noted that in 1939 there was a decrease from 1938 in imports of foodstuffs from Canada. On the other hand, imports of manufactured articles increased, particularly those of rubber goods, haberdashery, celluloid articles, and iron and steel n.o.p. In this group, however, there was a decrease in the fur imports. There was an increase also in imports of machinery, the chief advances being in agricultural implements, cable and wire, and machines for industry, mining and the arts. The largest increase, however, was in imports of newsprint.

The value of imports from Canada in the four main divisions of the Mexican statistics in 1938 and 1939 represented the following percentages of total imports from Canada in those years:—

	1938	1939
	Per Cent	Per Cent
Foodstuffs	1.60	0.39
Wearing apparel and other goods	12.43	11.20
Machinery	17.45	17.97
Industrial materials	68.52	70.44

The bulk of the imports of industrial materials are semi-manufactured goods which are processed in Mexico.

### MEXICAN EXPORTS TO CANADA

Quantities and values of the principal articles exported from Mexico to Canada in 1938 and 1939 were as follows:—

	1938		1939	
	Kilos	Pesos	Kilos	Pesos
Total . . . . .	.....	168,026	.....	267,104
Silver . . . . .	.....	.....	3,670	253,391
Manufactures of leather . . . . .	197	2,914	176	2,459
Textiles made of vegetable fibres . . . .	266	2,225	315	2,071
Jewellery and other works of fine metal . . . . .	.....	.....	9,818	1,746
Manufactures of wood . . . . .	451	2,516	243	1,232
Manufactures of clay and stone . . . . .	1,759	1,290	28	121
Books, periodicals and pamphlets . . . .	1,488	4,935	3	25
Antiques and works of art . . . . .	2,297	54,000	4	8
Coffee . . . . .	22,953	16,414	.....	.....
Cotton waste . . . . .	12,000	4,800	.....	.....
Alcoholic beverages . . . . .	1,140	2,095	.....	.....
Fuel oil . . . . .	Cu. Metres 1,175	25,768	Cu. Metres .....	.....
Shoes of all kinds . . . . .	Pairs 284	1,398	Pairs 428	2,395
Sundry . . . . .	.....	49,671	.....	3,656

It should be noted that there was an increase in 1939 over 1938 in the value of the goods Mexico exported to Canada but that the number of the commodities decreased.

### TRADE AND ECONOMIC CONDITIONS IN NETHERLANDS INDIA IN 1939

C. H. KHOO, OFFICE OF THE CANADIAN TRADE COMMISSIONER

(At current rate of exchange fl.1 equals Canadian \$0.55 approximately; one metric ton equals 2,204 pounds)

Singapore, November 4, 1940.—Economic conditions in the Netherlands East Indies in 1939 were generally more satisfactory than in 1938. Slight gains were recorded in both import and export tonnages and, while export values rose by 13 per cent, import values were 2 per cent lower than in 1938, thus contributing to a larger favourable trade balance.

The general recovery in business conditions which began in the latter half of 1938 continued during the first eight months of the year, but progress was checked by the outbreak of the European conflict, which severely disrupted communication and retarded deliveries from the United Kingdom and continental Europe. However, this development had little effect on the outward movements of cargo, which were mostly to neighbouring countries or to destinations well away from the European war zone.

Rearmament programs in Europe and elsewhere and the consequent brisk demand for raw materials for war purposes caused the prices of Netherlands India's major export products to move upwards at the turn of the year, and there was no lack of work for natives and other labouring classes on estates and in mines. The steady growth of domestic industries also helped to improve the employment situation, and wages showed a tendency to advance, although not to a level that would compensate for the higher costs of imported necessities.

Production of food crops was satisfactory, yields being comparable to those of 1938, which was an excellent year. This enabled the Government to curtail grants of financial assistance to native small-holders in Java and Madura, whose economic outlook depends more on food cultivation than on exports.



The outbreak of the war in Europe led the Government and principal merchants to seek new sources of supply, particularly in the Americas, Australia, Japan and South Africa, for articles formerly obtained from the belligerent countries. These efforts were intensified with the Russo-Finnish conflict and the inauguration of the Allies' blockade of German exports.

Wholesale and retail trade was, as a whole, normal. A slight spurt was noticed immediately following the start of the European war, and sales continued on a level higher than during the preceding months. After a short period, however, rising prices of provisions, textiles and certain other necessities brought about a reaction, and sales fell off during the last two months of the year.

### FINANCE

According to the latest returns, revenues from taxes, monopolies, produce, industry and miscellaneous sources amounted to fl.662,000,000 as against fl.508,130,000 in 1938, a 30 per cent increase. This enabled the Government to close the year's operation with a deficit of only fl.48,600,000 as against an estimate of fl.60,000,000 and the 1938 deficit of fl.85,000,000. Factor's contributing to this deficit were the huge defence and capital expenditures and increased grants for educational and public health services.

### BANKING

Notes in circulation averaged fl.195,507,000 as compared with fl.188,694,000 in 1938 and fl.191,000,000 in 1937. The value of token coins in circulation was twice that of 1938. Foreign bills of exchange handled by the Java Bank averaged fl.30,363,000 monthly, or fl.7,149,000 more than the 1938 figure of fl.23,214,000.

A slight drop in Post Office Savings Banks deposits was recorded, while withdrawals exceeded those of 1938 by 31 per cent. There was practically no change in government-owned pawnshop transactions. The People's Credit Banks and the Village Banks reported a reduction in outstanding loans, while the amount of new loans granted exceeded that of redemptions.

### STOCKS AND SHARES

The general index of share values was 50 at the beginning of the year, a point below the figure for January 1, 1938. There was a gradual decline during the pre-war months, until the index stood at 44 in August. It rose to 47 in September, lost 2 points in November and closed the year at 46.

The index figures of the values of the various groups of stocks and government bonds in December of 1937, 1938 and 1939 are shown below (1928 equals 100):—

	Month of December		
	1937	1938	1939
Rubber shares . . . . .	56	58	54
Trading company shares . . . . .	91	88	77
Tea shares . . . . .	58	61	55
Tobacco shares . . . . .	45	38	23
Sugar shares . . . . .	30	36	43
Agricultural bank shares . . . . .	35	40	39
Bank shares . . . . .	43	40	30
Railway shares . . . . .	40	30	24
Shipping shares . . . . .	64	62	65
Government bonds . . . . .	98 $\frac{3}{4}$	99 $\frac{1}{4}$	82 $\frac{1}{2}$

### PRICE INDICES AND COST OF LIVING

Larger production quotas for rubber, tea and tin had a favourable influence on wages paid to the native population, while incomes of European employees were also on a higher level than in 1938. On the basis 1929 equals 100, the cost of living index for a European family during the pre-war months was 61,

which was a point lower than in 1938. It went up two points in October, rose an additional point in November, and stood at 65 in December.

The cost of living for the native population was lower. Taking 1913 as the base year, the index was 66 for the greater part of the year as compared with 68 in 1938.

The average general index of wholesale prices for imported goods was steady at 91 during the pre-war months. By September it had advanced to 95, and for the closing months stood at 162, 109 and 114 respectively (base year 1913).

### FOREIGN TRADE

The value of total trade of Netherlands India in 1939 (Canadian \$683,100,000) was 17 per cent below that of 1937, but represented an increase of 6.5 per cent over the 1938 value of \$640,750,000. The value of imports was approximately 2 per cent below that of 1938, while exports gained by 13 per cent. The favourable balance amounted to \$167,200,000 as compared with \$114,950,000 in 1938, an increase of 46.5 per cent.

The following table shows the imports and exports by volume and value for the past three years as compared with 1929:—

	Imports		Exports		Favourable Balance
	1,000 M. Tons	Fl. 1,000	1,000 M. Tons	Fl. 1,000	
1929 . . . . .	3,461	1,145,900	10,185	1,484,000	338,100
1937 . . . . .	1,992	498,000	11,390	949,000	451,000
1938 . . . . .	2,002	478,000	10,994	687,000	209,000
1939 . . . . .	2,060	469,000	12,066	773,000	304,000

### IMPORTS

The value of imports into Netherlands India in 1939 totalled Canadian \$257,950,000 as compared with \$262,900,000 in 1938. The following table shows values for the two years under the principal headings:—

	1938 Fl. 1,000	1939 Fl. 1,000
Total . . . . .	478,400	469,700
Yarns and piece-goods . . . . .	120,861	123,048
Foodstuffs and consumption luxuries . . . . .	88,795	86,813
Machines, tools, apparatus, etc. . . . .	66,627	61,357
Metals . . . . .	66,641	59,194
Chemical products . . . . .	41,638	49,442
Vehicles, vessels, etc. . . . .	40,536	33,202
Paper and paperware . . . . .	16,448	16,382
Minerals . . . . .	12,928	12,634
Glass and glassware . . . . .	5,500	4,791
Animal and vegetable products . . . . .	4,978	4,767
Wood, cork, vegetable weaving material . . . . .	6,271	3,965
Earthenware and porcelain, etc. . . . .	3,605	3,771
Skins, hides, etc. . . . .	3,778	3,220
Animals and plants . . . . .	179	190
Other goods . . . . .	7,008	6,564

Java and Madura received 56 per cent by volume and 67 per cent by value of the total imports of Netherlands India in 1939. Principal sources of supply, with their respective percentages, were as follows (1938 figures in parentheses):—Holland, 21 (22); Japan, 18 (15); United States, 14 (13); Germany 9 (12); United Kingdom, 7 (8); Singapore, 7 (8).

The order of importance in 1938 was maintained by all these sources of supply, and it is noteworthy that Japan, which up to 1937 had always taken first place, had not regained her former position in the year under review, although her share represents a 3 per cent increase over 1938, apparently at the expense of Germany.

### IMPORTS FROM CANADA

Final official statistics of Netherlands India showing trade with Canada during 1939 are not yet available, but according to preliminary figures imports

from Canada were valued at fl.3,485,000 (\$1,916,750). However, the value shown in Dominion Bureau of Statistics returns was \$1,057,121 as against \$902,475 in the previous year, a 17 per cent increase. These were classified under 53 group headings as compared with 46 in 1938 and comprised the following: Vegetables (\$20,405), fresh apples (\$275), wheat flour (\$43,810), macaroni, spaghetti and vermicelli (\$3,440), bread and biscuits (\$365), candy (\$164), whisky (\$580), fish (\$12,478), soups of all kinds (\$2,221), powdered milk (\$2,967), medicinal and toilet preparations (\$2,891), cyanamide (\$3,859), fertilizers (\$138,035), calcium carbide (\$1,291), soda compounds (\$5,096), acids (\$13,340), iron oxides and acetylene black (\$2,828), paints (\$688), rubber belting (\$22,283), rubber hose (\$10,909), tires (\$40,191), tubes (\$7,717), other rubber manufactures (\$29,386), leather (\$1,068), oilcloth (\$1,571), cellulose products (\$314), cotton clothing (\$7,278), artificial silk manufactures (\$6,232), corsets and brassieres (\$3,023), cotton fabrics (\$348,973), planks and boards (\$777), pulp and fibre wallboards (\$6,879), wood-pulp (\$23,901), newsprint (\$87,678), book paper and printed matter (\$2,591), glassware (\$228), scientific apparatus (\$750), brushes (\$2,218), pig lead (\$849), aluminium manufactures (\$9,141), nails, brads, etc. (\$2,638), lamps and lanterns (\$6,054), hardware (\$1,063), scales and weighing beams (\$2,600), farm implements (\$211), passenger cars (\$78,777), trucks (\$19,764), automotive parts (\$168), miscellaneous machinery (\$727), electric apparatus (\$13,168), fountain pens and propelling pencils (\$38,016), other miscellaneous articles (\$26,256).

### EXPORTS

The total value of exports from Netherlands India during 1939 was Canadian \$406,794,300, an increase of 13 per cent over the 1938 value of \$359,265,500. Exports from the Outer Possessions accounted for 77 per cent of the volume and 64 per cent of the value. Principal destinations in 1939, with their respective shares (1938 percentages in parentheses) were as follows:—United States, 20 (13); Singapore, 17 (17); Holland, 15 (20); Australia, 6 (6); United Kingdom, 5 (5); Japan, 3 (3).

Canada's direct purchases from Netherlands India, as shown by Dominion Bureau of Statistics returns, were smaller than in 1938, being only \$775,388 as compared with \$785,719 for that year.

### NOTES ON EXPORT COMMODITIES

#### SUGAR

Sugar accounted for 11 per cent of the total value of Netherlands India's exports in 1939 as against 7 per cent in 1938 and 24 per cent in 1928. A total of 1,606,896 tons valued at fl.78,040,000 was exported, an excess of 410,000 tons over the 1938 total of 1,196,672 tons valued at fl.45,226,000. Both in tonnage and value the year's exports were the highest since 1932.

Movements during September were abnormally heavy, 228,000 tons being exported, or four times the volume shipped in September, 1938. The demand from British India was brisk and was the principal factor contributing to the improved export situation. Shipments to that country totalled 341,400 tons in 1939, which was 302,300 tons more than the quantity taken in 1938, an increase of 773 per cent.

Stocks in Java and Madura at the end of the year were the lowest at any such time during the past ten years, and this position, coupled with the development mentioned above, had a decidedly favourable influence on the average sales price. Under the restriction scheme an output of 1,475,000 tons was estimated for 1940.



## RUBBER

In the closing months of 1940 there was a substantial improvement in the rubber industry, both as regards exports and price, the latter reaching a level as high as the 1937 average. Exports of native-grown rubber in 1939 totalled 187,444 tons valued at fl.92,491,000 as compared with 149,080 tons at fl.59,290,000 in 1938. Exports of rubber produced on European estates amounted to 193,427 tons valued at fl.102,304,000 as against 156,207 tons valued at fl.74,219,000 in 1938. Rubber represented 26.3 per cent of Netherlands India's total exports in 1939, 20 per cent in 1938 and 31 per cent in 1937.

Under the international rubber restriction scheme, Netherlands India was allotted a basic production quota of 329,737 tons for 1940, of which 20 per cent, or 65,947 tons, could be exported during the first quarter; this was about 9 per cent higher than the quota for the last quarter of 1939.

## PETROLEUM

While the quantity of petroleum exported rose from 6,434,939 tons in 1938 to 7,036,360 tons in 1939, the value fell from fl.164,018,000 in the former year to fl.159,001,000 in the latter. Petroleum products in 1939 accounted for 58 per cent of the total tonnage of Netherlands India's exports and 21.5 per cent of the total value. Crude petroleum production amounted to 7,943,230 tons in 1939, 7,400,000 tons in 1938 and 7,262,000 tons in 1937.

## TEA

Tea prices remained at the 1938 level during the pre-war months. In September a small increase was noted, and in October prices were substantially higher. During the last two months of the year, however, there was a gradual decline. Exports were higher in both quantity and value, 83,678 tons at fl.57,089 in 1939 as compared with 81,847 tons at fl.56,243 in 1938.

## TIN

Netherlands India's production quotas for the first two quarters of the year were fixed by the International Tin Committee at 45 per cent and 40 per cent respectively of standard production as compared with 70 per cent and 50 per cent respectively for the corresponding quarters of 1938, and exports during the first half-year were therefore smaller than in the first half of 1938. Due to the war in Europe, the quota for the third quarter, which was originally fixed at 45 per cent, was raised to 120 per cent, and for the fourth quarter to 100 per cent. Production in 1939 totalled 28,199 tons as compared with 27,735 tons in 1938. Exports totalled 31,332 tons valued at fl.52,949,000 and 21,360 tons at fl.32,704,000 in the respective years.

## COPRA

Although the average price obtained for copra was slightly better than in 1938, the position of the industry continued unsatisfactory. Exports dropped from 555,652 tons valued at fl.38,274,000 in 1938 to 527,493 tons valued at fl.25,303,000. Even the opening quotations in the new year gave no cause for optimism and, copra production being a purely native industry, unfavourable conditions therein are having a depressing effect on the purchasing power of many sections of the native community, particularly in the Outer Possessions.

## VEGETABLE OILS

Exports of coconut oil declined 46 per cent by volume and 34 per cent by value from the 1938 figures. Only 9,200 tons valued at fl.856,000 were shipped during the year, as compared with 20,000 tons valued at fl.2,500,000 in 1938.

Although palm oil exports increased from 220,000 tons in 1938 to 230,000 tons in 1939, the value dropped from fl.16,530,000 to fl.15,634,000. As in the case of copra, the economy of certain classes of natives was adversely affected by the depressed condition of the vegetable oils industry.

#### COFFEE

The coffee harvest in 1939 was generally better than in 1938. Shipments to Holland during the last four months of the year were difficult to arrange, however, so that the year's exports were smaller, being only 67,251 tons valued at fl.11,899,000 as against 70,107 tons valued at fl.13,708,000 in 1938.

#### OTHER CROPS

Export quantities and values (1938 in parentheses) for the principal native crops were as follows: white and black pepper, 69,721 tons (54,490) valued at fl.9,770,000 (8,551,000); maize, 93,300 tons (101,000) valued at fl.3,000,000 (3,200,000); tapioca, 280,000 tons (247,000) valued at fl.9,800,000 (9,000,000); fibres, 138,400 tons (113,400) valued at fl.19,700,000 (16,100,000).

### GRAIN PRODUCTION COSTS IN JAPAN

C. M. CROFT, COMMERCIAL SECRETARY

(One yen equals approximately 26 cents Canadian)

Tokyo, November 14, 1940.—A statement has recently been issued by the Imperial Agricultural Society (the most influential agricultural organization and which may be regarded as semi-official) on the 1940 costs of production of wheat, naked barley and barley in Japan. According to this statement, the cost of production per "tan" (approximately a quarter acre) for wheat has been 69·75 yen; for naked barley, 72·23 yen; and for barley, 71·74 yen. If these production costs are converted into those per "koku" (approximately 4·96 bushels) they are approximately 30·66 yen, 30·42 yen, and 21·33 yen, respectively. The survey showed that in August, 1940, spot sales at the farms were made at 29 yen per koku for wheat, 29·07 yen for naked barley, and 18·50 yen for barley; thus the selling prices at the farms have been below the costs of production.

If the 1940 costs are compared with those for 1939, the production cost of wheat has increased 5·64 yen per koku or by 22·5 per cent, that of naked barley has risen by 5·53 yen or 22·2 per cent, while that of barley has increased 2·70 yen or by 12·5 per cent. Higher wages and increased cost of fertilizers are said to be largely responsible for the advance in the costs of production of these grains. The cost of cultivation per "tan" in 1940 is stated to have been 18·60 yen for wheat, 17·39 yen for naked barley, and 18·63 yen for barley. Wages have amounted to 29·43 yen, 31·12 yen, and 33·92 yen per tan for wheat, naked barley, and barley, respectively.

As the cost of production has risen sharply, farmers have endeavoured to meet this so far as possible by using more home and family labour and also more domestically produced fertilizer. The compensations per capita for family labour utilized in cultivating the soil have reportedly been 1·70 yen, 1·78 yen and 1·07 yen, respectively, for wheat, naked barley, and barley.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### CHANGES IN FLOUR TAX

With reference to the article in *Commercial Intelligence Journal* No. 1912 (September 21, 1940), page 426, Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, writes that the rate of tax levied on flour under the Flour Tax (Wheat Industry Assistance) Assessment Act 1938-39, was increased on September 30, 1940, from £1 18s. 5d. to £2 2s. 10d. per ton, and that on October 22 the rate was further increased to £2 8s. 10d. per ton.

The rate varies according to the amount by which the "free on rails" price of wheat is less than 5s. 2d. per bushel.

#### TARIFF DECISIONS

Recent Australian customs decisions as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Light-weight, high-speed, crude oil engines, of the compression ignition type or of the controlled (spark plug) ignition type, for use in the manufacture of locomotives, also internal combustion engine units for use in the manufacture of road graders, are free of duty under the British preferential tariff and subject to 15 per cent ad valorem under the general tariff (by-law under item 404).

Portable fire pumping units, comprising an internal combustion engine and high-pressure pump, primarily designed for use in fire fighting (as prescribed), free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (item 168A1).

Composition piping, made of lead, zinc and tin, for conveying gas from the meter to the jets, also used for water, 22½ per cent ad valorem under British preferential tariff, 3½d. per lb. plus 27½ per cent ad valorem under general tariff, both ad valorem rates to increase as present Australian exchange depreciation may be lessened (item 139B).

Chains for pipe wrenches, imported separately, 27½ per cent ad valorem under British preferential tariff, 45 per cent ad valorem under general tariff. The British preferential rate is at present reduced one-quarter or, if less, value for duty is reduced one-eighth, to compensate for Australian exchange depreciation (item 194C).

Plain strip aluminum, of gauges finer than No. 16 gauge (I.S.W.G.) but thicker than No. 38 gauge, for all purposes, is free of duty under British preferential tariff and subject to 15 per cent ad valorem under general tariff (by-law under item 404).

Backs for use in the manufacture of cloth brushes and of toilet brushes, of ebony in combination with celluloid, bored or unbored, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 404).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

### Union of South Africa

#### EXPORTERS ADVISED AGAINST DEMANDING CASH WITH ORDER

Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, reports that the Transvaal Chamber of Mines, which is representative of the gold mining industry on the Rand, has notified its members that various mining companies have received quotations for goods on terms of "cash with order." The notice states that the South African Reserve Bank informed the Gold Producers' Committee of the Chamber that dollars will not be made available for payment of orders placed on that basis. No difficulty, however, will arise in providing dollar exchange for payment against shipping documents or against certificates of the goods being placed alongside the ship. The committee therefore advised its members that in future tenders for mining industry require-



ments should be submitted on terms not less favourable than cash against goods alongside the ship.

Mr. English says the practice of quoting for export to South Africa on the basis of cash against documents in Canada or an irrevocable letter of credit in a Canadian bank—which is increasing on the part of Canadian exporters—has been accepted, generally speaking, by most of the South African importing firms. However, even the demand of an irrevocable letter of credit, he says, displeases some importers on the Rand who are of undoubted financial standing and have been trading with Canadian exporters for many years on the basis of cash against documents. The Trade Commissioner cautions Canadian exporters against insisting upon payment of cash with order, and states that Foreign Exchange Regulations do not permit payment prior to the goods being ready for shipment.

### **British India**

#### **IMPORT CONTROL EXTENDED**

With reference to the article in *Commercial Intelligence Journal* No. 1921 (November 23, 1940), page 705, Mr. K. F. Noble, Acting Canadian Trade Commissioner at Bombay, cables that effective January 10, 1941, British India import restrictions have been extended. Licences are now required to import the following additional goods from Canada and other non-sterling countries: All papers (except newsprint) and paper boards, classified under tariff item Nos. 44 to 44(4) inclusive; some chromate compounds, ex tariff item No. 28(8); aluminium and products; and numerous steel and steel products. Coal-tar dyestuffs have also been made subject to licence from other than British Empire countries.

### **Barbados**

#### **IMPORTATION OF CANADIAN GOODS UNDER LICENCE**

The Colonial Treasury of Barbados has advised that goods which are licensed for import into Barbados on the ground that they are of Canadian origin must be accompanied by an Imperial preference certificate.

### **Trinidad**

#### **IMPORT OF PAPER PRODUCTS PROHIBITED FROM ALL SOURCES**

An issue of the *Trinidad Gazette Extraordinary* of January 4, 1941, contained a notice from the secretary of the Control Board, prohibiting the importation from all sources of the following paper products: advertising show cards; calendars; compliment slips; greeting cards; menu cards, printed or blank; novelties; paper cups; paper handkerchiefs; paper plates; paper saucers; paper table cloths; programs; visiting cards; window and counter display devices; Christmas crackers.

An exception is made in the case of advertising show cards and window and counter display devices. These may be licensed for importation, provided that application is made before the goods are shipped and a signed declaration is lodged with the Control Board that no funds will leave the Colony, directly or indirectly, to cover their cost.

### **British Malaya**

#### **IMPORT REGULATIONS AMENDED**

A Straits Settlements Order, effective November 6, 1940, amends the import control regulations by transferring "printing ink" from the schedule of goods subject to licence from Canada and other non-sterling areas to the schedule of goods prohibited importation from such areas. In the Federated Malay States "hosiery of cotton or artificial silk," formerly unrestricted, has been made subject to import licence from the same areas.

## Egypt

### REDUCTION IN IMPORT DUTY ON PHARMACEUTICAL PREPARATIONS

By virtue of a decision of the Ministry of Finance under date March 22, 1940, the duty imposed on pharmaceutical preparations imported into Egypt has been reduced by adopting the valuation basis which was in effect prior to April 1, 1939, that is, the c.i.f. value, instead of the sales prices to the Egyptian public. The rate of duty remains at 10 per cent.

Retail prices to the public no longer need to appear on the containers of imported pharmaceutical preparations.

## Haiti

### TARIFF REDUCED ON SILK AND RAYON GOODS

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, reports that a Haitian decree of November 18, published in *Le Moniteur* of November 25 and effective next day, provides for a general downward revision of import tariff rates on all silk and rayon thread, fabrics and manufactures.

A new classification is provided for rayon and manufactures thereof which were previously classified under the same tariff items as real silk and assessed at the same rates of duty. Under the new classification rayon items are dutiable at rates considerably lower than those applying to similar articles made of real silk.

The rates are expressed in Haitian gourdes (equivalent to U.S.\$0.20) and in kilograms (of 2.2 pounds). These rates, as converted into Canadian terms, show that stockings of natural silk are reduced from about \$4 to \$2.50 per pound or, when of rayon, to \$2 per pound; knitted shirts, vests and pants of natural silk, from about \$3.50 to \$1.20 per pound or, when of rayon, to 80 cents per pound; gloves of natural silk, from about \$4.50 to \$2.25 per pound or, when of rayon, to \$1.85 per pound.

Reductions in duty on other made-up wearing apparel, including dresses, all outer garments, non-knitted underwear, shirts, blouses and pyjamas depend upon the quality of the goods and whether they are regarded as being embroidered or brocaded. The former rates on these articles, when of natural silk, ranged from \$2.50 to \$6.50 per pound and the new rates from \$1.50 to \$3. The former rates, when of rayon, ranged from \$2.50 to \$6.50 per pound, and the new rates from \$1.05 to \$2.

The duty on fabrics varies according to weight and presence of non-silk or rayon content. Natural silk fabrics formerly ranged from \$1.50 to \$5 per pound, and the new range is from 70 cents to \$2.50 per pound. Rayon fabrics formerly ranged from \$1.50 to \$5 per pound and the new range is from 35 cents to \$2.

In addition to the foregoing rates of duty, there is a general surtax of 20 per cent of the duty.

In all cases there is now a uniform alternative ad valorem rate of 40 per cent based on c.i.f. values, but this is applied only if it produces a higher net revenue than the specific rates. For some items the alternative ad valorem rate was formerly 50 per cent.

The net weight for customs purposes is the weight of the goods plus the weight of immediate containers and interior packing, such as cardboard boxes or display cards. It also includes the weight of such items as spools on which thread is wound and wood or cardboard cores on which fabrics are wound.

## Costa Rica

### TARIFF CLASSIFICATION OF SEMOLINA

Mr. H. W. Brighton, Canadian Trade Commissioner in Panama, writes that under a Costa Rican decree of November 12, 1940, semolina, a commodity derived from pure wheat, is ruled dutiable as "first-class wheat flour," whether in the ground or granulated form. The customs duty on first-class wheat flour is 0·15 colon per kilogram, and in addition there is a consumption tax on imports of 0·10 colon per kilogram, or a total charge of about \$2.20 per 100 pounds.

## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Ecuador

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, January 2, 1941.—Exchange control was re-introduced in Ecuador on June 4, 1940; on October 16, 1940, a decree was issued containing the regulations covering not only exchange control but also import control. These measures resulted from disturbed economic conditions attributable in part to the partial loss of the European market for Ecuadorian products.

The present rates of exchange are Ecuadorian sucres 15 to the United States dollar, and 60·60 sucres to the pound sterling. There is a current shortage of exchange, and the delay in payments for imports is from 10 to 15 days.

Imports are subject to permits, which are granted to importers on a quota basis relative to their capital and to their previous volume of imports. A certain control is maintained with regard to the import of luxury goods and goods which compete with nationally manufactured articles. However, in view of the fact that there is an unfavourable balance of trade of more than 30 per cent, from an Ecuadorian point of view, in that country's trade with Canada, dutiable imports from Canada are assessed a surcharge of 50 per cent of the duties. This action was instituted by the Ecuadorian authorities in 1936 against all countries whose balances of trade were as indicated above. On the other hand, imports from countries that have signed trade treaties with Ecuador, which include the United States, are granted a preference of 30 per cent of the duties on items subject to preferential tariff treatment.

Importers are now required to apply for exchange before placing orders abroad. When such exchange is granted, the Central Bank puts it aside to the order of the importer, so that it is available for payment against shipping documents. On the other hand, importers can open letters of credit. The customs and parcel post offices will not deliver imported goods unless proof is furnished to the effect that the covering exchange has been obtained through the Central Bank. Goods that have been sold on a time draft basis will be delivered only on certification that the importer has accepted the draft.

As a precautionary measure Canadian exporters should not ship unless the importer has supplied them with a duplicate copy of the Registered Petition for Goods ("Solicitud de Registro de Pedidos").

Since letters of credit can be opened through the Central Bank and the Exchange Control sets exchange aside for approved orders, sales on a sight draft basis, or even short term credits, can be made to reliable importers. Should an importer refuse to pay a draft for which exchange has been set aside, he is not to be granted further exchange facilities; in other words he will be unable to obtain further imports.

Generally speaking permits for new imports are granted in the following order:—



1. Those which are deemed to be of an indispensable nature for the Government or municipalities.
2. Those deemed to be of an indispensable nature and required by enterprises that are public services or utilities.
3. Articles indispensable to public consumption and which are private imports.
4. Imports by industries preferably using national raw materials and those required for agricultural purposes.
5. Articles of a necessary nature that are not produced in the country.
6. Imports for other industries.
7. Articles of a necessary nature whose production in the country is insufficient to supply the demand.
8. Other articles.

The Control Commissions are empowered to refuse or defer import permits, either in whole or in part, in the following cases:—

1. When the goods may not be of absolute necessity for consumption in the country.
2. When dealing with articles similar to ones being produced in the country and which may satisfy the requirements of the country through their quality, quantity and price.
3. When goods originate in countries with which Ecuador has an unfavourable balance of trade.
4. When it is proven that the importers have sufficient stocks of the goods to be imported in relation to national consumption, stocks within the country or to arrive by virtue of despatches dealt with by the Control.
5. When the Council of Administration of the Central Bank reduces the trimestrial quota of available exchange with relation to that formerly fixed and in consequence restricts the individual quotas; a reduction which "in no case will affect the normal volume of importations of articles necessary for public consumption but that of luxury articles."

Complete details\* covering the regulations in force in Ecuador concerning import and exchange control in that country are available on application to the Department of Trade and Commerce, Ottawa.

## Japan

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, December 12, 1940.—Under the Foreign Exchange Control Law of Japan all transactions affecting foreign exchange, including the export and import trade, are subject to rigid control. A revision of the regulations was promulgated on November 1, 1940, and became effective as from November 8, 1940, the object of the revision being to prevent evasion of the regulations through certain loopholes which had formerly existed.

The chief points in this recent revision from the viewpoint of foreign trade are as follows:—

- (1) Whereas, prior to November 8, 1940, it was permissible to remit amounts equivalent to 100 yen per month for the purchase of goods, permission must now be obtained from the Ministry of Finance for the remittance of all amounts for such purchases, except for the purchase of goods from Manchukuo or Kwantung Leased Territory where 100 yen per month may still be remitted.

(2) No goods may be imported which are unaccompanied by a bill of foreign exchange, except with the permission of the Finance Ministry. To this regulation there are certain specified exemptions, including the importation of samples, gifts, articles for exhibitions, articles to be repaired, personal luggage, official supplies, and goods from Manchukuo or Kwantung Leased Territory where the value is less than 100 yen in any one month.

(3) Except with the permission of the Ministry of Finance, no goods may be exported without drawing foreign bills of exchange against the whole or part thereof, except in certain specified cases including the export of samples, articles for relief, official supplies, personal luggage, ship's supplies and goods not exceeding 50 yen in value.

From the standpoint of Canadian trade the principal effect of the recent revision will be to end the small trade which has developed in purchases by individual consumers of goods where the value has been less than 100 yen per month.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 13, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 13, 1941, and for the week ending Monday, January 6, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 6	Nominal Quotations in Montreal Week ending Jan. 13	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Yugoslavia . . . . .	Dinar	.0176	.0249	.0249	5
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2644	.2644	3½
Switzerland . . . . .	Franc	.1930	.2575	.2575	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2274	.2276	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2614	.2614	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6354	.6350	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4382	.4382	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0606	.0606	—
Hongkong . . . . .	Dollar	.....	.2617	.2620	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2

# TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Flour.....	7	Guatemala City, Guatemala.....	Agency.
Whisky; Malt; Hops .....	8-10	Guatemala City, Guatemala.....	Agency.
<b>Miscellaneous—</b>			
Cotton Dresses, Ladies' and Children's.....	11	Port Elizabeth, South Africa.....	Agency.
Bottles.....	12	Guatemala City, Guatemala.....	Agency.
Hollow-ware, Enamelled.....	13	Dublin and Belfast, Ireland	Agency for Eire.
Household Hatchets.....	14	Dublin and Belfast, Ireland	Agency for Eire.
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## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A review of the salient features of Canada's export and import trade and a summary of the activities of each of its Branches, including the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Service; Electricity and Gas Inspection Services; Publicity; Government Motion Picture Bureau; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services with statistics of revenue and expenditure, as also statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

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### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving Invoice Requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

**Miscellaneous Statistics** respecting the following: **Business; Education; Employment; Finance** (Provincial and Municipal); **Justice; Transportation**, including railways and tramways, express, telegraphs, telephones, water, etc.; **Production**, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; **Vital: births, deaths, marriages, divorces; Institutions: hospitals, crime.**

Canada, 1940. (Price 25 cents.)

**Canada Year Book.** (Price \$1.50.)

**Trade (External), (Imports and Exports)**—Annual Report, Calendar Year (Part I: Analyses; Part II, Exports; Part III, Imports; Price, \$2.00 each Part.)

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# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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Loading Lumber at an East Coast Port in New Brunswick for  
Transportation to Great Britain

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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## UNITED STATES WHEAT PROSPECTS

**J. P. MANION, ASSISTANT TRADE COMMISSIONER**

New York, January 10, 1941.—Latest estimates of United States wheat production, issued on December 17, indicate an increase of 3 per cent over preliminary estimates. The 1940 crop of all wheat is now stated to have been 816,698,000 bushels as against 751,435,000 bushels in 1939. With a carry-over at July 1, 1940, of 284,000,000 bushels, the total visible supply for the current crop year is about 1,101,000,000 bushels.

This high total supply, now that nearly all export markets are closed, suggests that the carryover at July 1, 1941, will be the highest in history. The previous record peak was reached in 1933, when 360,000,000 bushels were carried over as against an average of 230,000,000 for the ten-year period 1930-1939.

Average domestic consumption over the same ten-year period has been 695,000,000 bushels, the highest being about 60,000,000 bushels over that figure in 1931 and the lowest 70,000,000 bushels below it in 1933. For the current year domestic consumption is estimated at 685,000,000 bushels, and export demand at 23,000,000 bushels.

This would leave, as stated above, a record carryover of 393,000,000 bushels at July 1, 1941. While domestic consumption may increase slightly, due to the accrued demand which army training may bring about, it is probable that a corresponding reduction in export trade would still leave approximately the same carryover, unless substantial exports to Spain and unoccupied France were permitted.

The current year's supplies of wheat are larger than last year's in all categories. There are 450,000,000 bushels of hard red winter available, 246,000,000 bushels of hard red spring and 54,000,000 bushels of durum. When normal consumption is taken into account, carryovers at July 1, 1941, are estimated at 181,000,000 bushels of hard red winter, 132,000,000 bushels of hard red spring, 35,000,000 of soft winter, 19,000,000 of durum and 26,000,000 bushels of white. The carryovers of both hard red winter and hard red spring are both expected to be just about 45,000,000 bushels higher than those of 1940.

## PRODUCTION PROSPECTS FOR 1941

With a probable carryover at July, 1941, for Canada and the United States combined of approximately 900,000,000 bushels as against 347,000,000 bushels last year, great importance naturally attaches to early estimates of prospective production in 1941.

In general it may be stated that fall moisture conditions in the United States have been excellent. As a result prospects for winter wheat in the principal producing areas continue favourable, exceptions being Wyoming, which had too little moisture, and parts of the Pacific Northwest, which had too much and consequent soil erosion.



In addition to favourable climatic conditions, the acreage seeded to winter wheat has increased by 5.6 per cent from 43,820,000 acres to 46,271,000 acres.

On the basis of the above factors, the long range forecast would indicate a winter wheat production of 633,000,000 bushels as against 589,000,000 bushels in 1940. This estimate is based on average weather conditions during the remainder of the year. However, unusual growing conditions have frequently changed the size of the crop from that indicated at this early period. At any rate, the condition of winter wheat, at 84 per cent, is the highest since December, 1930, when equally good conditions preceded the large crop of 1931.

There is nothing as yet to indicate the acreage or production of spring wheat. However, if spring wheat-producers follow the lead of winter wheat-growers by increasing acreage up to 5.6 per cent, present conditions would indicate a crop of 204,000,000 bushels, based on an average yield of 10.4 bushels per acre.

On the basis of these computations, the total wheat crop in 1941 might be in the neighbourhood of 830,000,000 bushels, or slightly higher than that of 1940. Such a yield would add 130,000,000 bushels to total available supplies during the crop year 1941-42, making available a total of 523,000,000 bushels for export or carryover during that season.

### AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on January 16 as follows:—

Stocks of wheat sold but not shipped in Australia at December 31, 1940, totalled 35,500,000 bushels, the unsold surplus being 25,200,000 bushels. Production of wheat in the 1940-41 season is estimated at 82,400,000 bushels, of which approximately 62,000,000 bushels will be delivered to the Australian Wheat Board. Of the exportable surplus of 87,200,000 bushels, 64,500,000 bushels is to be reserved for local and export flour and the produce trade, leaving 22,500,000 bushels of wheat to be exported during 1941. Wheat prices fixed by the Australian Wheat Board remain unchanged. Recent monsoonal rains benefiting Eastern Australia broke the drought, but harvesting was almost complete and damage to wheat is not extensive. About 55,000 wheat farms are to be registered under the Commonwealth Wheat Stabilization Plan, with the area sown in 1941-42 to be not more than average acreage based on areas sown to wheat for grain in the last four seasons.

Current prices per short ton f.o.b. Melbourne authorized by the Australian Wheat Board for flour in 49-pound calico bags for shipment are: to Shanghai, £A12 2s.; to Hongkong, £A11 5s. 6d.; to the East Indies, Burma, Malaya, Asiatic territory, Mauritius, £A10 1s.; to Manila and Colombo, £A9 5s. Prices for flour in 150-pound sacks are 7s. 6d. per ton lower. £A1 is equivalent to \$3.5199 Canadian.

### TRADING WITH THE PHILIPPINE ISLANDS

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(One peso equals U.S.\$0.50)

Hongkong, November 26, 1940.—The Philippine Islands lie some 500 miles southeast of Asia, north of the Island of Borneo and south of Formosa. There are over 7,000 islands in the group, which extends 1,152 miles from north to south and 688 miles from east to west. The total area of the country is 115,000 square miles. The largest islands are Luzon in the north (on which is situated Manila, the capital), with an area of nearly 41,000 square miles;

Mindanao in the south, about 37,000 square miles; Samar, 5,000 square miles; Negros, 4,900 square miles; Palawan, 4,500 square miles; Panay, 4,400 square miles; Mindoro, 3,800 square miles; Leyte, 2,800 square miles; and Cebu, 1,700 square miles. The islands are exceedingly mountainous, with extensive forests and also many large areas of fertile land on the plains and in the river valleys. The most important of these areas is the great central plain north of Manila; the Islands of Panay, Negros, and Cebu, in the centre of the archipelago; and several valleys and coast districts of Mindanao.

### CLIMATE

The Philippine Islands, lying within the tropics, have a tropical climate which is warm with plenty of rain, particularly during June, July and September. During that season the humidity makes the heat very trying. The winter season is pleasant, whereas over the greater part of the country the period from March to May is hot and dry.

The northern islands lie within the typhoon area, and violent storms, which usually have their origin in the Pacific east of the Philippines, frequently sweep over the country, particularly during the typhoon season, from July to September.

### POPULATION

The total population of the Philippines at the end of 1939, according to the latest figures released by the Commissioner of Census, was 16,000,303. Of this total Filipinos numbered 15,833,649, Chinese 117,487, Japanese 29,057, and Americans 8,709. Foreign residents of various other nationalities reported by the Census Commission were as follows: Spain 4,627, Great Britain 1,053, France 197, Soviet Union 237, Germany 1,149, and Holland 168.

### AGRICULTURE

The Philippines are an agricultural country. The inhabitants depend chiefly on the production of agricultural products for their livelihood, and over 80 per cent of the exports of the country are made up of the produce of the farms. The total area of cultivated lands is estimated at over 10,650,000 acres, or about 15 per cent of the entire area of the country.

### RICE

Rice is the staple food product of the Philippine Islands and is the most widely cultivated crop, the area devoted to rice production being over 5,000,000 acres. Production is not sufficient to meet the consumption demand, and additional quantities are imported, principally from French Indo-China.

### SUGAR

The Philippines are a large sugar producing country, the area planted to this crop being in excess of 625,000 acres. About 1,000,000 long tons of centrifugal sugar is produced each year, the bulk of the exports going to the United States under a favourable tariff arrangement. It is estimated that 2,000,000 people are employed in the industry.

### COCONUTS

The Philippines are the second largest producer of coconuts in the world, being surpassed by the Netherlands East Indies only, and are the world's principal exporter. The coconut palm is grown in every province, and for the year ended June, 1937, a total of 1,589,850 acres, or 25 per cent of the cultivated

area, was devoted to this crop. Some 4,000,000 persons are dependent on the industry.

#### ABACA (MANILA HEMP)

The Philippines are the largest producer of abaca in the world, although competition is beginning to be felt from other areas where the plant has been introduced. In 1937 there were 1,256,755 acres planted to abaca, and the fibre production in that year amounted to 200,627 metric tons (of 2,204 pounds). While only about 15 per cent of the cultivated area is devoted to the product, it ranks third among exports. About 2,500,000 people are directly or indirectly dependent upon the industry. The principal use of the product is in the manufacture of cordage, although it is also used to make baskets, slippers, mats, cloth and hats.

#### TOBACCO

The Philippines rank seventh among world tobacco producers. Output in 1937 amounted to 725,000 quintals of tobacco leaf (1 quintal equals 46 kilos, of 2.2 pounds), from an area of 185,100 acres. In the same year 319,393,533 cigars were produced, of which 188,791,471 were exported to the United States. Cigarettes and tobacco leaf are also exported.

#### CORN

Corn largely supplants rice in certain parts of the country, and over 1,250,000 acres are usually under cultivation. The total production in 1937 was valued at 17,983,350 pesos.

#### MAGUEY

The cultivation was begun during Spanish times. Production in 1937 amounted to 424,840 piculs (of 139.4 pounds) valued at 1,969,260 pesos.

Other agricultural products grown in the Philippine Islands are bananas, sweet potatoes, mangoes, cassava, lanzones, cacao, pineapples, papayas, coffee, rubber, pomelos, chicos, lumbang, pilinuts, mandarin, sugar apples, oranges, peanuts, kapok, soursops, custard apples, cotton, castor beans, and Irish potatoes. More than 100 varieties of vegetables are also grown, among the most important being tomatoes, egg-plant, cabbages, radishes, pechag, lettuce, cauliflower, onions and beans. Domestic production, however, has to be supplemented by imports, principally from the United States and neighbouring countries.

#### MINING

The Philippines are rich in minerals, especially gold, the output of which was valued at 49,581,430 pesos in 1937 and at over 64,000,000 pesos in 1938. This production has put the Philippines in fourth place among gold-producing areas under the United States flag. Silver is produced as a by-product of gold mining. Production of iron is increasing, and this mineral is finding an export market. Increased attention is being devoted to the production of chromite and magnesium, and there is also a considerable production of coal, cement, sand and gravel, but little success has attended efforts to locate petroleum. Other minerals known to exist in the Philippines are copper, lead, zinc, asbestos, sulphur, and asphalt. Copper production may become important in the future.

#### LUMBER AND TIMBER

The lumber industry is one of the major industries in the Philippines, being fourth in value of output. Timber forests are found in all the principal islands, covering an area of about 30,000,000 acres. These forests contain some of the finest timber in the world, especially for cabinet work. The standing



commercial timber is estimated to be in excess of 450,000,000,000 board feet. Many species of the Diptocarp family are used as substitutes for mahogany and are sold in foreign markets as Philippine mahogany. Forest products, such as rattan, oils, copal gum, tan bark, dye bark, and dyewood, are abundant.

The Government owns more than 99 per cent of all the standing timber of the Philippines, and the Bureau of Forestry has control over them. The public forests are not sold but are developed under a licence system. In 1937 there were 131 sawmills, and over 420,000 persons were dependent on the lumber and timber industry. While the bulk of the timber is consumed locally, there is a growing demand for these products in foreign markets.

#### FISHERIES

Fishing, which until recently was undeveloped, is rapidly expanding, and considerable new money is being invested, particularly in commercial fishing. The waters along the extensive coasts of the islands teem with common varieties of food fish. Among those found in commercial quantities are anchovies, sardines, silversides, mackerels, snapper, pompanos, tuna, sea-horses, mullets, and barracuda. The local market is under-supplied, and considerable quantities of fish and fishery products are imported. With more extensive use of modern fishing equipment and methods of transporting fish, there should be a decrease in the demand for imports, particularly as commercial canning is making considerable headway.

#### MANUFACTURES AND INDUSTRIES

The Philippine Islands are not an important manufacturing country in the modern industrial sense. Manila, and to a lesser degree Iloilo City and Cebu City, are the chief industrial centres of the country, although industries of the household type abound throughout the country. There are large sugar centrals and rice and lumber mills, however, principally in localities nearest the sources of raw materials.

The production of coconut oil constitutes one of the principal local industries. Sugar production is possibly as important at present. Manila cigars and cigarettes are also produced in large quantities, while the value of the output of the rope and hemp braid factories is of increasing importance. Rice mills are widely distributed and have a huge capacity.

Weaving, embroidery, and hat making are among the more important of the household industries.

Other industries include shipbuilding, foundries and machine shops, the making of shoes and slippers, desiccated coconut, pearl buttons, cutch, canned pineapples, wooden and wicker furniture, soap, vegetable lard, margarine, butter, starch, paint, toilet articles and pharmaceutical preparations, matches, salt, pots, candy and confectionery, beer, rum, and alcoholic spirits.

#### DOMESTIC TRADE

Although no exact data on the annual value of domestic trade are available, it has been estimated at about 2,500,000,000 pesos, which is much greater than the annual value of the export trade. The domestic trade consists principally of three activities: (1) the assembling and moving of local crops, such as hemp, copra, tobacco, sugar, rice and other products from the place of production to the import centres; (2) the distribution of imported goods; and (3) the selling of domestic products and native wares to local concerns. Manila is the chief distribution centre for all classes of merchandise, the ports of entry of Cebu, Iloilo, Legaspi, Davao, and Zamboanga, being minor centres. The three channels of distribution are controlled by foreigners, particularly

Chinese. Measures such as the consumer co-operative movement have been introduced in order to give the Filipino a greater control over the retail merchandising trade.

#### TRANSPORTATION AND COMMUNICATION

Manila, the capital and chief port of the Philippines, is on the largest bay in the Orient. The harbour at the entrance of this bay is land-locked. The anchorage space for steamers is protected by a semi-circular breakwater, within which is a basin large enough to accommodate vessels up to 26,000 tons. Regular steamship services are maintained between Manila and Hongkong, China and Japan ports, San Francisco, Seattle, Vancouver, New York, Australia, and, at present to a limited extent, European ports. Prior to the war British ships had the largest individual share in the carrying trade of the Philippines. Japanese ships were next in importance, followed by Norwegian, American, Dutch, German and Danish. During the first half of the year 1940 there was a great increase in the amount of goods carried by United States ships. There has been an increase in activity by Norwegian ships also, while British and Japanese ships have been less active. The amount of freight carried by Philippine ships during the past year has made substantial gains.

The bulk of overseas shipments are made from the Port of Manila, although considerable business is handled direct through Cebu, Iloilo, Zamboanga, and Davao, which with Jolo and Legaspi are the other ports of entry. While all the open ports have good harbours, only Manila, Cebu, Legaspi, Davao and Iloilo have wharfage for deep-draft vessels. Zamboanga has accommodation for vessels drawing up to 28 feet, and Jolo has a small wharf accommodating vessels with the same draft. Over a thousand vessels are now operated in the west coast trade.

#### BANKING AND CREDIT FACILITIES

There are fourteen banking institutions operating in the Philippines. Six are branches of foreign banks, and the others are domestic corporations. Practically all the foreign banks are engaged in financing import and export business. The foreign banks are the Chartered Bank of India, Australia and China; Hongkong and Shanghai Banking Corporation; National City Bank of New York; Nederlandsch Indische Handelsbank; Yokohama Specie Bank Ltd.; and the Bank of Taiwan Ltd. The following are the domestic banks: Bank of the Philippine Islands; Philippine National Bank; China Banking Corporation; Philippine Trust Company; Casings Bank of the Commonwealth; and Philippine Bank of Commerce. The Bureau of Posts also operates the Postal Savings Bank, which extends facilities to people in the provinces for the safekeeping of their savings.

The Philippine National Bank, which is a government-owned institution, had an original capital of 20,000,000 pesos. The inspection and supervision of all banking institutions and other financial houses is under the Bureau of Banking, which was set up in 1929.

#### FOREIGN TRADE

The total value of the trade of the Philippines during 1939 amounted to 487,987,723 pesos, which is 2 per cent under the 1938 figure of 496,805,649 pesos. An increase of nearly 5 per cent in exports was more than offset by a decrease of almost 8 per cent in the value of imports. The balance of trade was unfavourable to the extent of 3,083,189 pesos, as compared with an unfavourable balance of 33,624,541 pesos in 1938. Trade with the United States resulted in a favourable balance of 17,407,344 pesos plus 1,165,703 pesos with United States possessions, but this was entirely offset by unfavourable balances with

other areas: 19,086,942 pesos with the Orient; 2,032,157 pesos with Europe; 1,681,773 pesos with Canada. Trade with "other countries," including South America and Africa, however, gave the Philippines a favourable balance of 1,144,636 pesos. This is similar to the trend in 1938, import balances being 1,824,468 pesos with the United States, 27,096,489 pesos with the Orient, 4,784,033 pesos with Europe, and 2,350,289 pesos with Canada. This was slightly reduced by export balance with American possessions amounting to 1,159,611 pesos, and with "other countries" of 1,271,127 pesos. The import and export statistics do not include gold and silver bullion, which was exported to the United States to a value of 73,213,499 pesos in 1939 as compared with 62,294,298 pesos in 1938.

### IMPORTS

Imports into the Philippines for the full year 1939 were valued at 245,535,456 pesos as compared with 265,215,095 pesos in 1938, a decrease of 8 per cent. The heaviest increase during the year was in rice, with fairly substantial gains in coal, coffee, rayon goods, explosives, paints and varnishes, vegetables, and wines and liquors. The largest decline was in motor cars and trucks, with fairly heavy decreases in flour, automobile parts, chemicals and drugs, cotton cloth, other cotton goods, machinery and parts, iron and steel goods, leather products, meat products, printed matter, paper, and tobacco products.

Imports of the principal commodities into the Philippines in 1938 and 1939, according to the Bureau of Customs, were as follows:—

#### *Principal Imports into the Philippines*

	1938 Pesos	1939 Pesos
Wheat flour . . . . .	10,263,300	8,312,105
Rice . . . . .	999,748	5,163,476
Other breadstuffs . . . . .	1,563,930	1,800,721
Automobiles and trucks . . . . .	9,719,491	5,303,328
Automobile parts . . . . .	2,989,017	2,489,409
Other cars and parts . . . . .	1,809,374	1,702,537
Automobile tires . . . . .	3,529,661	3,481,225
Other rubber goods . . . . .	1,954,669	1,867,123
Chemicals, drugs, etc. . . . .	8,881,410	7,694,538
Coal . . . . .	1,984,879	2,963,232
Cocoa and manufactures . . . . .	1,329,684	1,107,514
Coffee . . . . .	1,579,113	2,005,005
Cotton cloth . . . . .	28,746,666	25,287,921
Other cotton . . . . .	15,065,433	13,484,614
Silk and manufactures . . . . .	1,708,387	1,055,410
Rayon and manufactures . . . . .	4,821,722	5,618,612
Electrical machinery and apparatus . . . . .	7,607,766	7,649,843
Explosives . . . . .	2,889,228	3,391,999
Fertilizers . . . . .	2,967,146	2,756,401
Vegetable fibres and manufactures . . . . .	4,434,652	3,963,561
Fish and products . . . . .	3,811,035	3,613,321
Fruits and nuts . . . . .	3,449,635	2,868,374
Glass and glassware . . . . .	2,258,540	2,135,389
Machinery and parts . . . . .	19,582,425	16,190,554
Iron and steel goods . . . . .	26,011,555	24,942,116
Leather and products . . . . .	3,361,937	2,770,370
Meat products . . . . .	3,030,494	2,547,504
Dairy products . . . . .	8,948,784	8,500,275
Mineral oils . . . . .	15,818,175	15,565,374
Other oils . . . . .	1,604,032	1,423,066
Paints, pigments, etc. . . . .	1,891,922	2,104,605
Printed matter . . . . .	3,000,562	2,567,214
Unprinted paper . . . . .	7,377,787	6,501,415
Perfumery and toilet preparations . . . . .	2,162,419	1,711,875
Tobacco products . . . . .	15,866,881	13,944,760
Vegetables . . . . .	3,985,732	4,036,025
Wines and liquors . . . . .	1,574,338	1,733,325
Wool and manufactures . . . . .	1,070,281	1,010,353



## IMPORTS BY COUNTRIES

As shown in the appended table, the United States is credited with 68 per cent of the import trade of the Philippine Islands, due to the fact that American goods enter this market free of duty. In 1939 the imports from that source were 8 per cent below those of the previous year. Japan was second in importance as a supplier, but imports therefrom showed a decline of 40 per cent as compared with 1938. Imports from Europe increased slightly, but these were soon shut off by the war. Canadian trade with the Philippines fell off slightly in 1939.

*Imports into the Philippines by Countries*

	1938 Pesos	1939 Pesos
United States . . . . .	180,714,457	166,855,706
Hawaii . . . . .	826,886	680,400
Guam . . . . .	13,735	17,278
Puerto Rico . . . . .	1,400	.....
Australia . . . . .	4,800,522	4,004,662
British East Indies . . . . .	4,688,601	4,516,409
China . . . . .	6,150,669	5,287,688
French East Indies . . . . .	973,864	3,876,896
Hongkong . . . . .	1,613,476	1,792,756
Japan . . . . .	25,413,910	15,248,518
Netherlands Indies . . . . .	5,842,255	5,954,850
Belgium . . . . .	2,543,101	2,966,077
France . . . . .	2,104,958	1,573,437
Germany . . . . .	8,309,238	8,576,349
Great Britain . . . . .	5,432,927	5,961,200
Netherlands . . . . .	5,033,732	5,907,905
Spain . . . . .	160,673	170,763
Sweden . . . . .	1,035,211	1,038,502
Switzerland . . . . .	1,863,503	1,690,480
Canada . . . . .	2,936,529	2,450,957

## EXPORTS

Total exports from the Philippines in 1939 showed an increase in value of 5 per cent, amounting to 242,452,267 pesos as compared with 231,590,554 pesos in 1938. There were moderate increases in the exports of abaca, cordage, copra, desiccated coconut, fruit and nuts, chrome ore, iron ore, leaf tobacco, cigars and other tobacco products and timber, and declines in those of maguey and other hard fibres, cutch, copra cake and meal, coconut oil, hats, copper ore, and a few minor items. Values of exports of the principal commodities in 1938 and 1939 were as follows:—

*Principal Exports from the Philippines*

	1938 Pesos	1939 Pesos
Abaca . . . . .	20,318,347	23,744,973
Maguey . . . . .	652,746	193,571
Other hard fibres . . . . .	906,245	755,376
Cordage . . . . .	2,398,062	3,173,836
Embroideries . . . . .	10,215,802	10,694,144
Cutch . . . . .	728,812	230,578
Copra . . . . .	24,512,028	26,802,495
Copra cakes and meal . . . . .	5,495,086	4,250,146
Desiccated coconut . . . . .	7,632,715	8,837,495
Coconut oil . . . . .	21,410,526	17,842,092
Edible oil . . . . .	122,384	499,215
Fruit and nuts . . . . .	2,740,601	4,297,612
Gums and resins . . . . .	598,346	854,821
Hats . . . . .	634,807	85,754
Chrome ore . . . . .	1,576,845	2,153,620
Copper ore . . . . .	1,283,301	983,442
Iron ore . . . . .	4,080,645	5,099,548
Lard and butter substitutes . . . . .	1,526,109	1,518,148
Sugar . . . . .	100,044,047	99,346,938

	1938 Pesos	1939 Pesos
Molasses and syrup . . . . .	300,263	155,766
Pearl buttons . . . . .	425,831	541,055
Leaf tobacco . . . . .	2,846,158	5,672,136
Cigars . . . . .	6,049,228	6,290,510
All other tobacco . . . . .	1,033,893	2,566,500
Timber . . . . .	2,461,380	3,156,868
Lumber . . . . .	3,189,161	3,206,309

Exports to the United States in 1939 increased by 3 per cent over those in 1938. The United States' share of total exports, however, dropped to 76 per cent as compared with slightly over 77 per cent in 1938. Exports to the Orient showed a small increase over the figure for the previous year, while shipments to Europe were 15 per cent greater than in 1938. This latter increase was due largely to the resumption of exports to Spain, although shipments to the Netherlands, Great Britain, France and "other European" countries were slightly greater than in the previous year. Exports to Canada, while relatively small, showed a substantial increase over those in 1938. Details are as follows:—

*Exports from the Philippines by Countries*

	1938 Pesos	1939 Pesos
United States . . . . .	178,889,989	184,263,050
Hawaii . . . . .	1,036,427	803,878
Guam . . . . .	398,285	411,785
Puerto Rico . . . . .	564,676	639,615
Virgin Islands . . . . .	2,244	8,103
Australia . . . . .	927,926	833,867
British East Indies . . . . .	1,356,416	1,629,864
China . . . . .	1,904,536	2,029,411
Hongkong . . . . .	1,842,347	1,718,236
Japan . . . . .	15,026,342	15,530,336
Netherlands Indies . . . . .	990,670	863,418
Belgium . . . . .	1,163,506	821,418
Denmark . . . . .	3,096,761	2,687,729
France . . . . .	3,184,007	3,525,594
Germany . . . . .	2,988,229	1,983,585
Great Britain . . . . .	6,017,116	6,645,924
Italy . . . . .	427,432	490,883
Netherlands . . . . .	5,082,032	6,520,034
Spain . . . . .	510,510	2,109,276
Canada . . . . .	586,240	769,184

TRADE WITH CANADA

As noted above, Canada's trade with the Philippines during 1939 was valued at 3,220,141 pesos, of which 2,450,957 pesos represented imports from the Dominion and 769,184 pesos exports thereto. Comparative figures for 1938 were 3,522,769 pesos for imports, and 586,240 pesos for exports.

No detailed figures are available of Canada's exports to the Philippines during 1939. Flour exports make up about half the total value of Canadian shipments. This consists principally of hard wheat flour, and it is estimated that the trade was slightly in excess of that for 1938. Cyanide is next in importance, followed by paper products (principally newsprint), in which Canada obtains a large share of the Philippine market. The foregoing are the three most important export items. Canadian canned salmon finds a market when prices are competitive with those of Alaskan salmon. Sales of sulphate of ammonia and phosphate of ammonia have been fairly large in recent years, but at present there is an oversupply of various types of fertilizer on the market, and sugar prices are so low that plantation owners are unable to afford their use. Automobile tires and casings have enjoyed fairly good sales but, as they are assessed a duty not charged on United States goods, competition is extremely difficult. Considerable quantities of Canadian rye whisky are sold in the Philippines. Here again the duty makes competition with American brands

difficult. There is some business in meat and butter products, Australia being the chief competitor, with usually a considerable price advantage. Canadian packaged oatmeal is shipped to the Philippines, but bulk goods from the United States meet the greater part of the demand.

Shipments of Canadian insulated wire have been fairly heavy during the last year or two. Electrical development is increasing, and a number of plans for expanding present facilities are being made, so this trade should increase in the future. There have also been imports of type metal. Ink was shipped at one time, but this trade has ceased as a result of increased duties. Diamond drills have been brought from Canada in recent years. At present, however, new mining developments are slack, and the demand has decreased. Small lots of different types of machinery and iron and steel products have been purchased in the past, but generally they have been speculative or sample lots. The duty advantage enjoyed by the United States is a severe handicap to the sale of Canadian manufactured goods.

A recent survey of the market resulted in a number of inquiries for Canadian products. They were as follows: shovels; tubular wheelbarrows; garden tools; hops suitable for making Pilsener type beer; toys; dolls; all kinds of products made from stainless steel, particularly hardware, kitchenware and fixtures, and cutlery; floor tiles; marble; asbestos sheets; sterling silver; silver-plate flatware; novelty jewellery; women's purses and handbags; and infants' and children's wear. An inquiry was also received for glazed newsprint or mechanical high finish novelty paper.

At present the principal competition is from the United States. Canadian goods, therefore, must be offered at prices that are competitive even after the duty is paid, as similar goods from the United States enter the Philippines free of duty. Specialized lines not produced in that country or produced to advantage in Canada would offer the best opportunity for successful trade with the islands. Canadian firms interested in selling any of the above lines or in receiving a market report on the lines they manufacture are requested to forward full particulars to the Canadian Trade Commissioner at Hongkong.

## TRADE OF CYPRUS WITH CANADA IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, September 30, 1940.—The total value of imports of merchandise into Cyprus during 1939 was £1,892,088 as compared with £2,246,435 in 1938, a decrease of £354,347. The value of exports of merchandise declined from £2,478,256 in 1938 to £2,422,937, or by £55,319, and the unfavourable balance of visible trade, largely offset by invisible assets, increased from £231,821 in 1938 to £530,849.

### IMPORTS AND EXPORTS

According to Cyprus official statistics imports from Canada in 1939 were valued at £58,848 as against £36,079 in 1938, an increase of £22,769; exports to the Dominion were valued at £1,172 as against £576 in 1938, a rise of £596.

Imports from Canada (figures for 1938 within parentheses) included: fish, £186 (£192); flour, £506 (£58); hardware and cutlery, £1,181 (£135); dressed leather, £139 (£427); machinery, £200 (£375); milk powder, £164 (nil); motor cars and chassis, £16,222 (£24,201); motor car parts, £940 (£790); provisions, £240 (£339); timber, £517 (£1,549); tires and tubes for motor cars and motor cycles, £6,904 (£5,579); wheat, £29,433 (nil); and all other articles, £2,216 (£2,395). Imports of wheat, valued at £29,433, accounted for the increase in the value of Canadian products sold to Cyprus during the past year.

Exports to Canada from Cyprus comprised: embroidery and needlework, £27 (£189); carob gum, £837 (nil); and all other articles, £308 (£387).



## TRADE AND EXCHANGE RESTRICTIONS

As has been reported at intervals in the *Commercial Intelligence Journal*, several measures have been adopted by the Cyprus authorities since the beginning of the war for the purpose of restricting import trade and exchange operations. From the standpoint of the Canadian exporter the restrictions may be summarized as follows: (a) a number of commodities may not be imported into Cyprus (a complete list is on file at the Department of Trade and Commerce, Ottawa) save under licence; and (b) payment for goods imported into the island may be made, as a rule, only in sterling or in the currency of the country of origin.

## GENERAL CONDITIONS IN 1939

Crops generally were normal. Conditions in the citrus fruit trade, which were rather good at the beginning of the year, deteriorated gradually, and by the end of the year export trade became practically impossible, owing to low prices coupled with high cost of freight and insurance and shipping difficulties. The mining industry, the staple industry of Cyprus, was adversely affected by the war, it being no longer possible to deal with Germany, which was formerly the principal outlet for the island's mining output. External trade declined. The reduction in imports had an appreciable effect on public finances, almost 60 per cent of the island's revenue being derived from customs returns. On the whole, 1939 was a less prosperous year than 1938.

## IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to December 28, 1940:—

	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to Dec. 28, 1940	
			Quantity	Per Cent
Cattle (700 lb. or more) . . . .Head	225,000	3 to 1½c. per lb.	124,091*	55.1
Cattle (less than 200 lb.) . . . .Head	100,000	2½ to 1½c. per lb.	100,000	Quota filled
Whole milk . . . . .Gal.	3,000,000	6½ to 3½c. per gal.	7,400	....
Cream . . . . .Gal.	1,500,000	56¼ to 28¼oc. per gal.	972	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk, and rosefish . . . . .Lb.	15,000,000	2½ to 1½c. per lb.	9,912,655	66.1
Seed potatoes . . . . .Bu.	1,500,000 beginning Sept. 15, 1940	75 to 37½c. per 100 lb.	225,505	15.0
White or Irish potatoes, other than seed potatoes . . . . .Bu.	1,000,000 beginning Sept. 15, 1940	75 to 60c. per 100 lb. Dec. 1 to end of Feb.: 37½c. Mar. 1 to Nov. 30 Free	41,155	4.1
Red cedar shingles . . . . .Square	2,371,544		2,371,544	Quota filled
Silver or black foxes, furs and articles: †Foxes valued under \$250 each, and whole furs and skins.No.	100,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	17,500	17.5
Tails . . . . .Piece	5,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	1,003	20.0

\*In the statement for the period up to November 30, 1940, which appeared in *Commercial Intelligence Journal* No. 1926, the number was erroneously shown as 134,713. It should have been 119,187 head.

†The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the agreement.

During the fourth quarter of 1940 Canada shipped 36,706 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 70.9 per cent of the quarterly allotment of 51,720 head. The quota allotment of 6,120 head from countries other than Canada for the fourth quarter of 1940 was filled and receipts over and above this amount were subject to the full tariff rate.

## NAVICERTS FOR CANADIAN SHIPMENTS VIA UNITED STATES PORTS

In order to improve the co-ordination between the British contraband control and the Canadian export licensing authorities and thus reduce to a minimum the possibility of avoidable delay in making delivery abroad, it is deemed advisable that Canadian shipments via United States ports, which are subject to the grant of export licences by the Department of National Revenue, either on account of the destination or of the nature of the goods, should also be covered by navicerts.

Canadian exporters may expedite the issuance of navicerts in these cases by submitting their applications to the British Consular authorities at the ports of shipment through their forwarding agents in the United States. These agents should be given full information regarding the proposed shipments and be authorized to undertake all necessary formalities for the actual consignors. Applications should, of course, indicate clearly that the goods in question are of Canadian origin.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### ADDITIONAL IMPORT RESTRICTIONS EFFECTIVE JANUARY 1, 1941

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, has cabled particulars of some additional restrictions on imports into Australia from non-sterling countries (including Canada) to be effective as from January 1, 1941, under the import licensing system adopted December 1, 1939.

Licences for importation from non-sterling countries during a licensing period are based on the value of the same goods imported by the same importer from non-sterling countries during an equal period of the base year ended June 30, 1939. That is to say, for a three-months' licensing period, January 1 to March 31, 1941, an Australian importer's importations of any particular kind of goods from non-sterling countries are rationed according to his importations of the same goods from non-sterling countries during an average three months of the base year, i.e., one-fourth of the year's total.

New reductions and restrictions announced as effective from January 1, 1941, include:—

#### GOODS REDUCED 100 PER CENT

Tapestries of cotton, linen, or wool; oil baize; buckles, clasps and slides for hats, shoes and attire; buttons (except trochus, pearl and animal shell); towels (except crash, dowlas, forfar, glass cloth, huckaback, kitchen and tea), towelling, and terry cloth; cotton bath mats; aluminium powders and pastes; porcelain insulators; card cases, match boxes, serviette rings, feather dusters, beads, brooches and sleeve-links, and fancy goods in general (except of precious stones or metals); wrist watch cases; machinery belting; wrapping paper (except greaseproof and cellulose); true vegetable parchment; ferro-silicon; furniture castors; certain brushes; material for talking-machine records.

#### GOODS REDUCED 75 PER CENT

Braids, fringes, belting, webbing and trimmings for attire (except galloons); chinaware (except bowls and pudding basins and sanitary ware); wristlet watches (except cases); imitation gut; vitreous enamelling materials.

Files.

GOODS REDUCED 66 $\frac{2}{3}$  PER CENT

GOODS REDUCED 50 PER CENT

Galloons and ribbons (as specified); hand tools of metal (except those admitted under customs by-laws, and replacement parts for vehicles); argol; greaseproof wrapping paper; porcelainware for electrical purposes (except insulators).

Strawpaper, strawboard (except corrugated), and other paper boards, as specified, are reduced 50 per cent and licences will be issued only for types not made in Australia or in sterling areas.

GOODS REDUCED 25 PER CENT

Coated printing paper, glazed imitation parchment, and printing paper not otherwise provided for in the tariff, except when used for daily or weekly newspapers. Licences will be issued only for types of these papers not made in Australia or in sterling areas.

## LICENCE RESTRICTION ON CERTAIN TOOLS

Licences for the admission of files, and of tools specified in customs by-laws (tariff item 219C) will be restricted to types not made in Australia or sterling areas. (Tools under item 219C include adzes, augers, awls, axes, bits, saw blades, braces, chisels, cleavers, post-hole diggers, saw ears, forks, certain garden tools, gimlets, gouges, hammers, hatchets, plane irons, knives, blow lamps, levels, mallets, masons' and plasterers' tools, hay rakes, hand saws, scrapers, screw drivers, scythes, sickles, and many others, as specified in the by-laws.)

The Trade Commissioner reports that the new restrictions are estimated to reduce imports from all non-sterling countries by about £1,250,000 annually.

**Trinidad**

## ECONOMIZING USE OF WRAPPING PAPER AND BAGS

A Government Notice issued in Trinidad on January 4, 1941, requests the public to co-operate with shopkeepers and merchants in drastically reducing the amount of wrapping paper and bags used. The Notice states that on account of conditions brought about by the war, it is imperative to conserve not only exchange but also available stocks of paper of all kinds. Therefore every effort, the Notice says, should be made to use wrapping paper and bags more than once, and employ shopping baskets and bags in lieu of paper now used for wrapping goods.

**British Honduras**

## SURTAXES INCREASED ON JEWELLERY, SILKS AND CAMERAS

A British Honduras Ordinance of November 7, 1940, increased the import surtax to 21 $\frac{3}{4}$  per cent ad valorem British preferential tariff, and 25 per cent ad valorem general tariff, on jewellery, including artificial jewellery, and to 20 $\frac{5}{8}$  per cent ad valorem British preferential, and 25 per cent ad valorem general tariff, on silk and artificial silk manufactures, and cameras and photographic supplies. The former surtax on these products was 25 per cent of the existing duties. (See *Commercial Intelligence Journal* No. 1872: December 16, 1939, page 1162.)

**British Malaya**

## IMPORT REGULATIONS AMENDED

A Straits Settlements Notification of November 19, 1940, amends the import control regulations by transferring various metal manufactures, electrical goods and machinery from the list of goods prohibited importation from Canada and other non-sterling areas to the list that may be imported under licence from these areas. The goods are: anchors; cast iron manufactures; railway tires, wheels and axles; steel girders, beams, joists, and pillars; tubes, pipes and fittings of cast iron, or wrought iron and steel; other wire manufactures; unenumerated manufactures of iron and steel (excluding certain reinforcing



material, empty drums and containers for specific uses, and welding rods and electrodes); copper plates, ingots, etc., and other manufactured metals of sorts; electrical instruments (other than telegraphic and telephonic); electrical converters, transformers, generators, motors, magnetos, switch-gear iron-clad including machine control and composite switch-boards; boiler and boilerhouse plant; internal combustion engines; and tractors.

Goods formerly unrestricted made subject to licence from non-sterling areas include: bolts and nuts; expanded metal; rivets and washers; wood screws of iron, steel, or brass; wire nails and staples; wire ropes; and wire of other descriptions.

Similar changes in the regulations were made effective in the Federated Malay States by Notification of November 28, 1940.

### **Nyasaland**

#### **CONTROL OVER IMPORTS**

Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, writes calling attention to import control introduced in Nyasaland under Government Notice No. 113 of November 17, 1939. Under the interpretation of this Notice, he advises, countries within the sterling bloc cannot import from non-sterling countries more than can be paid for by available exchange. It has not yet been learned what amount of exchange is available for imports from Canada nor the method applied to the granting of licences for Canadian goods.

### **Hongkong**

#### **CERTIFICATES OF ORIGIN**

Mr. P. V. McLane, Canadian Trade Commissioner in Hongkong, recommends that when Hongkong importers ask for a certificate of origin from Canadian exporters the certificate be furnished, although for actual importation into Hongkong a certificate of origin for tariff preference purposes is required only for motor cars (registration fee), tobaccos and spirituous beverages. The reason certificates of origin are sometimes requested for other goods is that various products manufactured in Hongkong are shipped to Great Britain, to be entered there under the Empire preferential tariff. Exporters are required to show the percentage of Empire content in such goods. If Canadian materials are used in manufacturing the goods in Hongkong, the manufacturers require a certificate of origin for the materials imported from Canada to assist them in documenting the finished articles to Great Britain. Such certificates, the Trade Commissioner states, may be sworn to before a Chamber of Commerce or similar organization.

### **Netherlands Indies**

#### **FLOUR PACKING REQUIREMENTS**

A Netherlands Indies Order of October 16, 1940, amends the Flour Packing Regulations (Order No. 574 of 1936) by providing that the combined weight of the contents and packing of flour may be expressed in kilograms or in English pounds of 16 ounces avoirdupois, together with the words: "bruto gewicht" or "gross weight." Formerly metric weights were compulsory, and additional markings in units other than metric were optional. (A summary of the Flour Packing Regulations was published in *Commercial Intelligence Journal* No. 1716: December 19, 1936, page 1135.)

## Mauritius

### RESTRICTION OF IMPORTS

The *Board of Trade Journal* of the United Kingdom, in its issue of December 12, 1940, publishes Government Notice No. 198 of Mauritius which states that as from January 1, 1940, the importation of all goods from any foreign country and from Canada, Newfoundland and Hongkong is prohibited except under licence. Importation from any Empire country is prohibited, unless the manufacturer or supplier furnishes a certificate stating that the goods contain at least 25 per cent of Empire labour and material in the factory or works cost. No foreign goods may be imported from any Empire country unless an import licence has been obtained prior to importation.

## Ecuador

### ADDITIONAL DUTIES ON IMPORTS

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that an Ecuadorian legislative decree effective January 1, 1941, imposes an additional duty of 5½ per cent ad valorem on the declared value of goods imported into Ecuador and also a surtax of 7 per cent of the amount of the import duties. The purpose of these extra charges on imports is to provide funds for the water supplies of Quito and Guayaquil.

## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Cuba, Haiti, Dominican Republic, Puerto Rico and United States Virgin Islands

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, January 6, 1941.—There are no official exchange restrictions of any kind in force at present in the five countries named above which might affect the collection of bills drawn on importers therein by persons abroad, and the former can obtain foreign exchange requirements freely for shipments from Canada.

## Panama

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, January 4, 1941.—Unlike the other Central and South American countries, there is no scarcity or shortage of foreign exchange in the Republic of Panama. In fact, due to the heavy expenditures by the Government of the United States in connection with new construction and fortification of the Panama Canal, this country is experiencing a boom period which will likely continue for four to six years. The balboa, currency unit of the Republic, is on a par with the United States dollar.

## Nicaragua

Panama City, January 3, 1941.—The exchange situation in Nicaragua still remains difficult. Importers are required to obtain permission from the Exchange Control Commission of the National Bank of Nicaragua before placing their orders abroad. There is, however, no connection between the grant of an import permit and the grant of the necessary foreign exchange subsequently.

The whole exchange situation in Nicaragua has been under review with the assistance of an expert from Chile and it is expected that eventually more clearly defined regulations will result. Up to the present merchants have been permitted to purchase exchange in the open market for what might be termed luxury articles.

Geared as the country is largely to the coffee trade, the general decline in coffee prices has adversely affected the purchasing power of the people, which even at best could not be considered high. A large part of their earnings is required for everyday necessities and the fall in earnings has had its effect on wholesale and retail trade. Stocks are reported to be sufficient to meet normal demands but shortages occur due to delay in obtaining import permits and the foreign exchange required to meet the drafts on imported merchandise.

### Venezuela

Panama City, January 4, 1941.—The source of exchange in Venezuela is principally the sales of the oil companies and secondly the exports of agricultural products, chiefly coffee and cocoa.

While the official rate has remained at 3.19 bolívares per U.S.\$1.00, the dollar situation has recently become rather acute. On October 25, 1940, the Venezuelan Government passed an import decree which makes it necessary to obtain an import permit before goods can be imported. If an import permit is granted, however, exchange to cover the imported merchandise is assured since 43 per cent of the available exchange is to be used for new imports and it is understood that import permits will be given only for amounts of exchange so available. The decree states further that 40 per cent of all exchange becoming available will be used to cancel obligations already contracted, these obligations to be remitted for in chronological order. It was expected at the time this decree was issued that a three months' supply of exchange would fairly well clean up all such obligations, although a slightly longer period might be necessary.

The coming into effect of this decree brought all collection and import business to a full stop. Venezuelan trade is gradually adapting itself to the new conditions and should soon regain normal activity within whatever limits may be established. The Commission to supervise the conditions set forth in the decree of October 25 is now functioning; but it will be a little time before its members will have studied all phases of the situation and put into effect the necessary regulations and before the importers will have adjusted themselves to whatever regulations are finally adopted.

### Costa Rica

Panama City, January 3, 1941.—Without a satisfactory market for coffee the exchange situation in Costa Rica, as in other coffee-producing countries, will always be difficult. During 1939 conditions generally were satisfactory; but the shutting-off of the European market and the reduction in sales to the United Kingdom began to have their effect by February, 1940.

Under Law No. 3, passed on February 6, 1940, all foreign currencies accruing in Costa Rica, as shown by the daily returns of the local banks to the Costa Rican Export Control Board, were to be devoted to payment for imports of prime necessity in the following order:—

- (a) Wheat, wheat flour, sago, rice, beans, chickpeas, lentils, sugar, pearl barley, rock salt for the province of Limón, condensed or evaporated milk, and all industrial products intended specially and exclusively for infants' foods.



- (b) Pure or compound lard and oil for use in cooking, codfish, dried shrimps and ordinary sardines.
- (c) Cotton and woollen textiles and those mixed with silk, provided that cotton or wool predominates; cotton or woollen underwear, cotton and thread yarn stockings, cotton handkerchiefs, and rayon fabrics.
- (d) Common drugs of all kinds, vaccines and serums of all classes, plain or medicated cotton, bandages, ligatures; instruments and apparatus exclusively for medical, surgical, optical, orthopaedic, pharmaceutical or laboratory use; medicines produced by the principal laboratories of the world and which are recommended by the Ministry of Health; products imported free of customs duty recommended by the same ministry.
- (e) Gasoline, diesel oil, lubricating oils, crude and refined oils.
- (f) Paper for printing and for general use; equipment for use on desks; school materials and supplies which are not manufactured in the country; ordinary wrapping paper, toilet paper.
- (g) All kinds of materials required for national industries, established or which may be established.
- (h) Articles of porcelain and enamelled ware for sanitary services; construction materials not produced in the country, among which should be included paints and their dissolvents and wall paper.
- (i) Machinery, implements and utensils of all kinds for agriculture and industry; tools for arts and trades; lorries and spare parts for lorries, and for motor cars.
- (j) All classes of materials and accessories for electric installations, including electric bulbs.
- (k) Petroleum, gasoline and alcohol lamps; lanterns and stoves.
- (l) Crockery, earthenware and glass for domestic use as well as table or kitchen articles of iron or other metals.
- (m) Hats for both sexes, the invoice value of which does not exceed \$12 per dozen; neckties having a factory price of not more than \$6 per dozen.
- (n) Ordinary watches, typewriters, calculating machines and registering machines.
- (o) Shoe and stove polish, matches and insecticides.
- (p) All classes of brushes for domestic use, toothpaste, toilet soap on which a low duty is paid, and Sapolio.
- (q) Cattle, pigs, horses and mules.
- (r) Fertilizers of all kinds.
- (s) All classes of seeds for planting, food for live stock, bran or remnants for feeding cattle or poultry.

In the second category are included all other articles of current importation not specifically indicated in the preceding list.

Preference will be given to applications for foreign exchange for payment of invoices for explosives or inflammable substances, which, by reason of special regulations, can only remain for a short period in customs houses.

The Board will allot funds from the daily foreign exchange receipts which appear in the daily reports rendered by the local banks, as follows: 80 per cent to meet applications for drafts for payment of items coming under the first category; 12 per cent to meet applications for payment of items belonging to the second category; 8 per cent to meet obligations to families and students residing in foreign countries or other similar obligations.

The Board may, at the end of each month, after noting the balances which correspond to each category, transfer any available foreign exchange or part of it from the first to the second category or vice versa, when it considers this to be prudent to facilitate payments.

Applications for foreign exchange for payment of importations—with the exception of inflammable articles or explosives as set forth above—shall be acted upon by the Board strictly in the order of presentation, provided the formalities of registering the respective orders and invoices have been complied with. The Board may, however, in its discretion give preference in the authorization of exchange to those applications which are to cover necessities urgently needed, according to the demands of the moment.

By June, 1940, exchange had become very scarce and in order to ease the strain on the exchange situation the Exchange Control Commission indicated that it would limit exchange authorizations for imports to approximately U.S.\$500,000 per month for all categories of goods, which was from \$300,000 to \$400,000 per month less than it had been granting formerly.

At present, while there is some scarcity of exchange, there appears to be sufficient for normal requirements. Throughout the year exchange rates have remained fairly firm at 5.62 colones to U.S.\$1.00 for controlled exchange and from 5.70 to 5.73 colones for uncontrolled exchange.

### Peru

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, January 7, 1941.—Neither exchange nor import control is in effect in Peru. There have been at times periods of scarcity of sterling or dollar exchange, and this is particularly so at present in the case of sterling. On the other hand, United States dollar exchange is freely available for payment of imports of all kinds. The Peruvian sol has remained steady at 6.50 soles per United States dollar selling, and at 6.485 soles per United States dollar buying. During the past two or three months there was some nervousness with regard to the continued supply of dollar exchange, but latterly this has been dissipated to a considerable degree. There is still an acute shortage of sterling, which followed on the signing of the Payments Agreement between the Central Reserve Bank of Peru and the Bank of England on September 2, 1940. It was following the signing of this agreement that British purchases of Peruvian sugar and cotton practically came to a standstill.

Canadian exporters are recommended not to offer better terms than cash against documents to other than old-established and reliable concerns. Some trade is still being done on short-term credits, but such sales should be restricted to the firms indicated in the preceding sentence. When quoting to this market, in view of the fact that payment must be effected in United States dollars, it is preferable to quote in that currency.

### Chile

Lima, January 7, 1941.—Exchange and import control continue in effect in Chile. The Exchange Control Board has fixed a rate of Chilean pesos 24.90 and 25.00 respectively, buying and selling, in terms of United States dollars for import-export business. The corresponding rates in terms of sterling for the same business have been fixed at Chilean pesos 100.65 buying and 101.35 selling per pound sterling. Non-export-import business, after authorization by the Exchange Control Board, is effected at Chilean pesos 31.00 per United States dollar and Chilean pesos 125.70 per pound sterling for sellers. These

rates apply to imports of what are deemed to be luxury goods and to certain other articles listed by the Exchange Control Board.

For some months an acute shortage of sterling and dollars has existed and payments for imports are very much behind the demand. It is believed that uncovered imports for the whole of Chile must amount to considerable sums in both currencies. In general, and for some time, the Exchange Control Board has refused to allow exchange until the corresponding imports have arrived in Chile; even after arrival at customs, a delay of at least a month or so is experienced in most cases. Naturally, the situation depends upon the flow of exports from Chile. Although the sterling situation is expected to be easier during the next few months, it is not expected that there will be any excess of exchange. The outlook for United States dollar exchange is clouded, although there is some talk of the situation being relieved by the decision of the Government not to amortize the foreign debt.

Canadian exporters, in order to protect themselves as far as possible, should give instructions that the documents are to be released only against payment in United States dollars. Arrangements should also be made for renewal of the insurance, which generally lapses on arrival of goods at customs. It is only possible to insure against fire and in Chilean pesos at the Chilean destination. Owing to the fact that the Exchange Control Board in general only allows cover after the goods have arrived, it is impossible as a rule to cover the exchange and open credits in favour of the exporters. Then, too, owing to the scarcity of exchange and consequent delays, banks are generally averse to opening credits before cover has been granted.

Permits for most imports are granted on a quota system, the amount allowed to any one importer depending upon his imports of the article in question over the last two or three years. There should be no difficulty in importers obtaining permission to import from Canada, provided their quotas have not been already filled from other countries; but this is of little value to the Canadian exporter if he can have no certain idea as to just when he may expect his return remittance.

On November 11, 1940, an Anglo-Chilean Payments Agreement came into force. As from that date all transactions, whether of a commercial or of a financial character, between Chile and the "sterling area" must be settled through the medium of "Chilean Special Accounts" opened with their correspondents in the United Kingdom by banks and certain other institutions operating in Chile.

The articles for which exchange will be granted only at the rate of Chilean pesos 31.00 per United States dollar, as referred to in the first paragraph of this report, are: crepe rubber; cummin seed; pepper and other spices; wines; whiskies; brandies and liquors; beer and ciders; mineral waters and non-alcoholic beverages; artificial leather; rubberized fabrics and oilcloth (when not for use as a prime material); lace; bathing suits; silk and rayon hosiery; wearing apparel; pharmaceutical products; specifics not commonly used and of high price; essential oils; razor blades; metal filing cabinets; slide (zipper) fasteners; machinery in general; electrical appliances (including refrigerators, washing machines, stoves, etc.); electric clocks, flashlights and batteries; electric shavers; automobiles; motor trucks and chassis; automobile and truck tires and tubes; automotive parts and accessories; porcelain ware; sanitary ware; rubber clothing; rubber boots and shoes; canvas shoes; cellophane paper; arms and munitions; watches and clocks; jewellery; scales, all kinds; phonographs, parts and accessories, and records; radio equipment, parts and accessories; motion picture films; photographic equipment, films, plates and supplies; adding, calculating and



accounting machinery; cash registers and other recording machinery; toys, including mechanical, rubber balloons, and carnival goods; fountain pens; sporting goods; calfskins; petroleum for refining; paraffin, except for use in the manufacture of candles; tea; literary books.

With payment for Canadian exports to Chile being effected by United States dollar exchange, in view of the above, it is only to be expected that some delay in remittance may occur. At present it is not recommended that better terms than cash against documents be granted, other than to large, old-established firms who may have funds available abroad through their export activity. In any event, particular caution is advised.

## Bolivia

Lima, January 6, 1941.—Bolivian conditions have improved during recent months, owing principally to increased mining activity. Although caution is still advisable in shipping to that country, because of the uncertainty as to supplies of exchange, such supplies are now more freely available than has been the case during recent years.

Exchange and import control are in effect in Bolivia and three rates of exchange exist: the official rate, currently quoted at bolivianos 39·90 per United States dollar; the compensation rate at bolivianos 55·00 per United States dollar, and the black market (illegal) rate of about bolivianos 61·50 per United States dollar.

Mining companies and all other exporters are required by law to sell certain percentages of the value of their exports to the Central Bank. The Central Bank in turn resells these drafts to certain specified purchasers. Drafts at the official rate are allotted for government services, for the provision of imports by railways and other public utilities, and to importing houses which import and offer for sale certain products considered to be essential for the needs of the country. This list of products includes sugar, flour, rice, gasoline, lubricating oils, cheaper tinned goods and similar articles.

Compensation exchange is obtained by the banks to a considerable extent through purchase from the mining companies at the official rate of exchange and also at the purchasing rate for compensation drafts. This compensation exchange is sold to importers at a higher rate than that charged for official drafts and may be used in the purchase of goods not on the prohibited list of imports, but which do not fall within the list of goods for which exchange is available at the official rate, as mentioned in the previous paragraph. Goods which may be imported at the compensation rate are made up of an extensive assortment, including textiles, electrical goods, machinery of all kinds, trucks, agricultural and industrial machinery, and passenger automobiles, when these latter are permitted entry.

It is said that black market exchange, although illegal and subject to severe penalties when discovered, has been used to a considerable extent. When an importer clears his goods through customs he is required to state that the funds used for their purchase were those which he held abroad, but he is not required to indicate how such funds were obtained. Thus it is possible for him to replenish his accounts abroad by purchase of bootleg or black market exchange, should he choose to run the risk.

Bolivia's economy, as is generally known, depends almost entirely on the quantity of tin which can be shipped out of the country under the International Tin Control scheme. Recent advices from Bolivia indicate that, due to war conditions in Europe and the fact that the International Tin Export quota now stands at an all-time high of 130 per cent of the 1929 exports, Bolivia can

export all the tin the country can produce. As a consequence present exports are running well in excess of anything that Bolivia has been able to ship during the last four or five years. The law requires that 42 per cent of the market value of each ton of tin exported shall be delivered in drafts to the Central Bank. As a result more drafts are available at present for imports than has been the case for some time. Bolivia is in a more favourable position to take care of its needs for imported goods.

Long-term credits would not appear to be necessary to do business in Bolivia under present conditions. United States dollars should be available for payment in view of the recently arranged sales contract between the Metal Reserve Corporation and the Bolivian tin producers, which calls for payment of their exports in United States dollars.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 20, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 20, 1941, and for the week ending Monday, January 13, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 13	Nominal Quotations in Montreal Week ending Jan. 20	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
		Buying	4.4300	4.4300	2
		Selling	4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Yugoslavia . . . . .	Dinar	.0176	.0249	.0249	5
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2644	.2647	3½
Switzerland . . . . .	Franc	.1930	.2575	.2576	1½
United States . . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2276	.2276	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2614	.2614	—
Brazil . . . . .	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6350	.6348	4
Uruguay . . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.4382	.4382	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0606	.0591	—
Hongkong . . . . .	Dollar	.....	.2620	.2622	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

- Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.
- Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.
- Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

- Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.
- Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.
- Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

- Toronto, Ont.

Montreal, P.Q.
- Winnipeg, Man.

Edmonton, Alta.
- Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Slippers, Snuggler Type.....	17	Cape Town, South Africa...	Agency.
Horse-tail Hair.....	18	San Francisco, California...	Purchase and Agency.
Household Electrical Appliances.	19	Georgetown, British Guiana.....	Purchase.
Sanitary Ware.....	20	Guatemala City, Guatemala.....	Agency.
Printing Paper.....	21	Cairo, Egypt.....	Purchase.
Clipping Machines, for Shearing whole Sheepskins.....	22	Glastonbury, England....	Purchase.



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 633. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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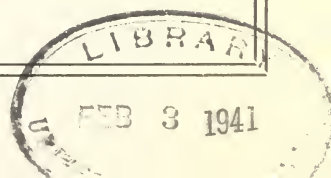


Unloading Live Eels from Province of Quebec at Fulton Fish Market,  
New York City

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGESS, DEPUTY MINISTER





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# COMMERCIAL INTELLIGENCE JOURNAL

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## CANADA'S EXPORT TRADE IN 1940

PREPARED BY EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS

Total Canadian exports, excluding gold, were valued at \$1,179,000,000 in the calendar year 1940. This total is 18 per cent over the 1937 peak and fully 16 per cent over the average of the past ten years. A larger proportion (56 per cent) of Canadian goods are shown as going to Empire countries than in any other recent year. This was due in part to the enormous shipments both of materials of war and civil necessities to the United Kingdom, and in part to the removal of virtually all of Continental Europe from the Canadian trading zone.

### EXPORTS BY COUNTRIES

A factor of importance in the maintenance of Canadian exports during the past year was the commercial activity of the United States, which resulted in increasing orders for the great variety of goods that Canada ships to the great market to the south. In spite of this increase, 1940 shipments to the United Kingdom exceeded those to the United States by 15 per cent, reversing the position in 1939. Total exports to the United Kingdom, which thus became Canada's largest customer, were valued at \$508 million, and to the United States at \$443 million. The proportion of Canadian exports taken by these two countries rose from 77 per cent in 1939 to 81 per cent in 1940.

There were phenomenal increases in the purchases of Canadian goods by other Empire countries besides the United Kingdom. Exports to the Union of South Africa at \$37·8 million and to British India at \$11·6 million were more than double the 1939 value. Those to Newfoundland at \$12·6 million, to Ireland at \$5·8 million, to the Straits Settlements at \$4·3 million, and to British Guiana at \$2·6 million, all increased by one-half. Shipments to Australia were up very slightly at \$33·9 million. Exports to Egypt showed the most remarkable increase, rising to \$8·4 million from less than \$400,000 in 1939, with \$4·8 million of the total being in the single month of December.

Among non-Empire countries, Argentina's purchases at \$6·1 million showed an increase of \$2 million over 1939, and those of Brazil, with an increase of \$600,000, stood at just over \$5 million. The greater increase in purchases by Argentina made that country Canada's largest Latin-American market.

Exports to Japan declined to \$11·4 million from \$28·2 million in 1939. Those to Sweden were \$0·6 million as against \$4·3 million, and to Switzerland \$0·7 million against \$1·8 million. In the last months of the year shipments to Sweden and Switzerland were nil.

The following table shows the value of domestic exports, excluding gold, by principal countries in 1939 and 1940:—

*Canada's Domestic Exports By Principal Countries, Excluding Gold.*

(Compiled by External Trade Branch, Dominion Bureau of Statistics.)

	Month of December 1939	1940	Twelve Months ending December 1939	1940
	Thousands of Dollars			
All countries . . . . .	101,021	97,621	924,926	1,178,954
Empire countries . . . . .	37,387	44,871	430,807	655,916
Foreign countries . . . . .	63,634	52,750	494,119	523,038
British East Africa . . . . .	183	652	793	4,790
British South Africa . . . . .	1,592	2,872	17,965	37,874
Southern Rhodesia . . . . .	68	264	1,136	1,865
British West Africa . . . . .	127	53	456	602
Bermuda . . . . .	115	152	1,369	1,567
British India (with Burma) . . . . .	646	2,532	5,396	11,603
Ceylon . . . . .	32	18	438	392
Straits Settlements . . . . .	340	505	2,782	4,281
British Guiana . . . . .	195	399	1,586	2,579
British West Indies . . . . .	1,315	1,922	11,736	17,361
Hongkong . . . . .	134	67	1,463	1,719
Newfoundland . . . . .	649	1,191	8,506	12,640
Australia . . . . .	1,706	1,859	32,029	33,860
Fiji . . . . .	35	41	456	338
New Zealand . . . . .	381	1,241	11,954	9,785
Palestine . . . . .	9	26	230	266
Ireland (Eire) . . . . .	506	107	3,597	5,776
United Kingdom . . . . .	29,317	30,946	328,099	508,055
United States . . . . .	53,996	43,792	380,392	443,025
Argentina . . . . .	469	732	4,117	6,107
Brazil . . . . .	571	499	4,407	5,063
Chile . . . . .	107	134	957	1,436
China . . . . .	134	155	2,636	2,503
Colombia . . . . .	119	83	1,781	1,438
Cuba . . . . .	153	200	1,497	1,859
Egypt . . . . .	39	4,818	369	8,396
French possessions . . . . .	37	61	896	663
Japan . . . . .	1,508	425	28,168	11,367
Mexico . . . . .	519	372	3,004	4,328
Netherlands East Indies . . . . .	117	153	1,057	1,533
Panama . . . . .	26	47	263	532
Peru . . . . .	161	58	1,245	1,527
Portugal . . . . .	22	46	170	1,357
Portuguese Africa . . . . .	210	135	1,631	1,985
Sweden . . . . .	92	.....	4,284	587
Switzerland . . . . .	128	.....	1,850	744
Hawaii . . . . .	243	117	1,608	1,160
Philippines . . . . .	180	122	1,819	1,517
Puerto Rico . . . . .	43	112	548	657
Uruguay . . . . .	11	117	138	610
Venezuela . . . . .	145	195	1,702	1,720

EXPORTS BY COMMODITIES

As in the three previous years, of the nine main groups of exports the highest in value in 1940 was wood and paper, which showed an increase of over \$100 million to \$348 million. The United States continued to be the largest buyer, but its purchases accounted for only 62 per cent of the exports in 1940 as against 68 per cent in 1939. Of the various items the value of newsprint paper is normally equal to half of the total value; in the past year it amounted to \$151 million. The second largest sub-group was planks and boards valued at \$68 million, of which \$40 million (an increase of 64 per cent) went to the United Kingdom. Next in importance in the wood products group is wood pulp, its value in 1940 being double the figure of 1939. As in the case of newsprint paper, over three-quarters of wood-pulp shipments are to the United States.



Second among the nine main groups was agricultural products. It was the only group which failed to show an increase in value during the calendar year just closed, dropping by 1 per cent to \$218 million. Among the sections of the group showing the greatest decrease was fruits, which declined by 56 per cent, the percentage fall in exports to the United Kingdom being even greater. Purchases of this sub-group by the United States nearly trebled, rising to \$1,400,000. Similar changes occurred in vegetables, total exports being down by 50 per cent in value. This decline was due to smaller purchases by the United Kingdom, those of the United States showing a material increase. Wheat exports were up by \$10 million at \$120 million. In the non-food section of the group, alcoholic beverages were up \$1 million at \$9.3 million and rubber down \$3 million at \$13 million.

The third main group in order of value was non-ferrous metals, excluding gold. It showed a rise of 11 per cent to \$195 million, of which \$102 million went to the United Kingdom and \$67 million to the United States.

Animals and animal products was the fourth main group in 1940. It increased from \$132 million to \$165 million. Meats accounted for \$26 million of the rise with total exports at \$63 million, 96 per cent going to the United Kingdom. Fishery products rose by almost \$4 million to \$31.6 million, purchases by the United States being chiefly responsible for the increase. Exports of furs and cheese rose by \$2 million and \$3½ million, respectively, the former due to vastly increased purchases by the United States, the latter to increased purchases by the United Kingdom.

Iron and its products was second only to miscellaneous commodities in percentage increase among the nine main groups, the value of exports in this group being \$128 million, of which half was made up of automobiles and parts. This sub-group stood at \$65 million as compared with \$25 million in 1939. The United Kingdom's share increased from less than \$1 million to \$22 million.

Miscellaneous commodities (\$39 million), non-metallic minerals (\$34 million), chemicals (\$31 million), and fibres, textiles and textile products (\$22 million), were the remaining groups in order of value in 1940. They showed increases ranging from 15 to 140 per cent.

## INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended December 31, 1940 (Nos. 1901 to 1926 inclusive), is now in the hands of the printer and will be sent out shortly to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to preserve them, with the Index, in bound volumes, or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

## RATIONING OF FEEDSTUFFS IN THE UNITED KINGDOM

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, December 27, 1940.—In a broadcast to United Kingdom farmers on June 2, 1940, the Minister of Agriculture, Mr. R. S. Hudson, stated that one of the most important problems to be met in the future would be the provision of supplies of feeding stuffs for live stock in Britain. He explained that the shipping position might result in a shortage of imported feeding stuffs for all classes of live stock, and consequently it was necessary to decide how best to use the available supplies. He said that, in view of the importance of maintaining the milk supply, dairy herds would have first call on available feeding stuffs, that beef cattle and sheep must be considered next in national importance, and that pigs and poultry should be left to the last. Supplies of feeding stuffs for pigs and poultry might have to be cut to one-third in the autumn.

Recently it has been announced that, in order to ensure equitable distribution among live-stock farmers, it would be necessary to introduce a rationing scheme. It was originally intended that this should become effective from January 1, 1941, but a later announcement intimated that the scheme will come into operation on February 1, 1941.

### MAIN FEATURES OF SCHEME

The main features of the new scheme are as follows:—

1. Rations will be based on the numbers of cattle, sheep and horses on each holding on December 4, 1940, and the average yield of milk in each herd.

2. Bulky fodder crops, including grazing, will not be rationed, but each farmer will be expected to produce enough of such crops for the maintenance part of the food requirements of his cattle, sheep and horses.

3. These bulky foods should suffice to produce part of the milk and meat as well as maintenance.

4. Pig and poultry keepers will be allowed only one-third of the quantities of feeding stuffs necessary to maintain on a full ration the numbers of pigs and poultry kept before the war.

5. Supplementary rations will be allowed where necessary at the discretion of County War Agricultural Executive Committees for high-yielding dairy herds and in other special cases on written application to the appropriate County Committee.

6. Cereals and pulses grown and used on the farm will be regarded as part of the rationed feeding stuffs, except the produce of any increased acreage devoted to such crops since the war and dried beet pulp supplied to growers of sugar beet under their contracts.

7. Local administration and issue of coupons is entrusted to County War Agricultural Executives Committees. Farmers will be entitled to apply to their Committees for supplementary coupons if abnormal conditions on their farms render the normal scale of rations clearly unsuitable.

8. From the date of commencement of the scheme no feeding stuffs will be supplied to farmers except against coupons.

### SCALE OF RATIONS

Experts have fully considered the requirements of the various classes of live stock, and as a result a scale of rations has been proposed that is regarded

as adequate, both for maintenance and production. The scale at present contemplated is as yet provisional and is as follows:—

*Cows.*—3 pounds per day plus  $3\frac{1}{2}$  pounds for each gallon of milk in excess of  $1\frac{1}{2}$  gallon per day per cow.

*Other Cattle.*— $1\frac{1}{2}$  pound per day plus  $1\frac{1}{2}$  pound per day of cattle over one year being fattened.

*Sheep.*— $2\frac{1}{4}$  pounds per week for all sheep on holding plus 1 pound per week for all breeding ewes. *Note:* Mountain and hill ewes and rams will get 14 pounds per head for the whole winter period.

*Horses.*—9 pounds per head per day for agricultural horses; 2 pounds per head per day for other horses, except stallions which will get about  $5\frac{1}{2}$  pounds per day.

*Pigs.*— $3\frac{3}{4}$  pounds per day for one-third of pigs on June 4, 1939.

*Poultry.*—3 ounces per day for one-third of poultry on June 4, 1939, which is equivalent to  $4\frac{1}{2}$  ounces per bird per day in winter, owing to the seasonal fall in numbers.

*Goats.*—1 pound per day for each goat or goatling plus 14 pounds for each 4 gallons of milk produced in excess of 4 pints per goat in milk.

No special provision will be made for pedigree stock unless the rations for pigs and poultry have to be further reduced.

#### OPERATION OF THE SCHEME

The rationing scheme in some respects will be similar to that which has been in operation for the past year for certain classes of foodstuffs. Farmers will be issued coupons for two kinds of feeding stuffs—"protein" and "cereal". The ordinary high protein mixed feed will be included in the former, but low protein feeds, like palm kernel and pulse, will be regarded as cereals. The coupons will be for one or more units (at present the unit is 1 cwt.), or for half or quarter units. The products for which the coupons may be exchanged will be printed on the coupons. Where combined feeding stuffs are purchased, the farmer will be required to surrender some of both types of coupon according to the class of stock to which the compound is to be fed.

Provision is made for farmers to deposit their coupons at the beginning of each rationing period with one or more merchants of their own choice. The first rationing period will end on April 30, 1941.

The registration date for all classes of live stock is December 4, 1940, and the registering authority is the County War Agricultural Executive Committee, except in the case of small pig and poultry keepers, who will register with the Small Pig-Keepers' Council or the Domestic Poultry Keepers' Council.

Although the rationing of feedstuffs undoubtedly presents some difficulties not met with in the rationing of foodstuffs or such a commodity as petrol, nevertheless it is considered that the scheme is both practicable and equitable, and will be in the best interests of the live-stock industry.

In view of the uncertainty of the shipping position, the scheme has been made flexible, so that it can be readily adjusted to the import situation. The position will also be altered in the summer, which is one of the main reasons for terminating the first ration period on April 30.

Pig and poultry keepers will be compelled to reduce their stocks to one-third of those held on June 4, 1939, unless they can supplement feeding in other ways, such as by using swill. There are no limits to the numbers of pigs and poultry that can be kept other than those imposed by the cut in issued rations.



## OVERSEAS TRADE OF THE UNITED KINGDOM IN NOVEMBER

United Kingdom imports, exports and re-exports were all lower in value in November than in October and also lower than in November, 1939. Imports were valued at £72,930,000 as compared with £85,096,000 in October and £84,043,000 in the previous November, exports at £21,666,000 as compared with £23,391,000 and £37,360,000, and re-exports at £723,000 as compared with £967,000 and £2,745,000. As compared with October, the decline in imports (£12,166,000) was considerably larger than that in total exports (£1,969,000), and the excess of imports over exports at £50,541,000 was lower than in any month of 1940 except September.

For the eleven months ended November total imports were valued at £1,025,676,000 as compared with £800,937,000 in the corresponding period of 1939, domestic exports at £388,632,000 as compared with £398,687,000, and re-exports at £25,536,000 as against £43,429,000. The excess of imports over total exports was thus £611,508,000 as compared with £358,821,000 in 1939. The latter figure was approximately the same as in 1938.

### IMPORTS

Imports of food, drink and tobacco in November were valued at £26,721,234, a decrease of £5,885,442 as compared with October and of nearly £12,000,000 as compared with November, 1939. As compared with October, imports of grain and flour were lower by £1·9 million, those of meat about £2·6 million, and of dairy produce nearly £1·1 million, while there were smaller declines in feeding stuffs for animals, living animals for food, and in fresh fruits and vegetables. Beverages and cocoa preparations were moderately higher and tobacco imports practically unchanged in value. As compared with November, 1939, there were decreases in the value of each main item. The figures for the two November periods for items of larger value were: grain and flour, £4,654,210 (£3,873,254); animals, living, for food, £1,267,164 (£1,374,044); meat, £6,946,102 (£8,593,227); dairy produce, £2,323,955 (£5,899,289); fresh fruit and vegetables, £845,862 (£2,681,764); beverages and cocoa preparations, £5,059,226 (£6,281,172); other food, £4,604,776 (£8,523,060); tobacco, £683,655 (£809,780).

Raw materials and articles mainly unmanufactured were imported to a value of £19,100,134 as compared with the approximately equal values of £23,418,428 in October and £23,704,238 in November, 1939. Imports of iron ore and scrap were about a half million pounds in value lower than in October and those of non-ferrous metalliferous ores and scrap about the same amount higher. Wood and timber imports declined nearly £1·6 million, those of oil seeds and nuts, oils, etc. £1·7 million and of rubber about £1·4 million, while paper-making materials moved down again from £875,530 to £579,618. Imports of raw cotton and cotton waste, however, advanced £1·7 million. The values of the major raw material items in November last and November, 1939 (in parentheses) were: iron ore and scrap, £1,007,094 (£863,370); non-ferrous ores and scrap, £2,256,948 (£2,222,323); wood and timber, £2,711,102 (£2,227,424); raw cotton and waste, £3,646,559 (£6,537,633); wool, raw and waste, £1,741,847 (£1,340,051); silk, raw and waste, and artificial silk waste, £232,643 (£375,167); other textile materials, £939,828 (£1,350,329); oil seeds and nuts, oils, fats, etc., £1,670,390 (£3,109,627); undressed hides and skins, £440,559 (£868,849); paper-making materials, £579,618 (£1,938,258); rubber, £2,619,337 (£1,504,879).

Imports of articles wholly or mainly manufactured were valued at £26,674,899 as compared with £28,628,970 in the previous month and £21,208,338 in November, 1939. As compared with October principal declines were £1·8 million for non-ferrous metals, £0·5 million for vehicles, and £0·7 million for miscellaneous manufactures. Chiefly offsetting these declines was a rise of £1·3 million for iron and steel, imports of which at £7,203,037 reached the highest

monthly total ever recorded. The considerable increase in the November value over that of November, 1939, was due mainly to increases in the following items: iron and steel, £7,203,037 (£2,229,284); non-ferrous metals, £4,336,225 (£2,986,285); machinery, £3,553,202 (£1,931,834); vehicles, £2,577,204 (£1,725,878). The chief declines were: chemicals, drugs, dyes, etc., £1,063,783 (£1,424,878); oils, fats and resins, £4,624,467 (£5,332,506); leather, £144,203 (£840,325); paper, cardboard, etc., £891,256 (£1,369,131); miscellaneous articles, £747,703 (£1,156,359).

#### EXPORTS

Exports of the produce and manufactures of the United Kingdom in November were valued at £21,666,181 as compared with £23,390,911 in October and £37,360,327 in November, 1939.

As compared with October, the food, drink and tobacco group at £1,471,638 showed a decline of £748,285, raw materials and articles mainly unmanufactured at £1,356,688 were lower by £406,871, and articles wholly or mainly manufactured at £18,271,989 by £751,451. The decline in food, drink and tobacco exports was due to a substantial fall in sales of beverages and cocoa preparations. A further reduction of £636,747 in coal exports was the chief factor in the moderate fall in the raw materials group, most of the other major items showing increases. The largest declines among exports of manufactured goods were £301,676 for vehicles and £209,018 for manufactures of "other" textile materials. There were increases for woollen and worsted goods, silk and artificial silk goods and for miscellaneous articles.

In any comparison of the export figures for November last with those for November, 1939, the great change in the United Kingdom trading area must be kept in mind. The decline of £15,694,146 on this comparison is accounted for by a decrease of £2,083,192 in food, drink and tobacco, £3,622,309 in raw materials, and £9,699,295 in articles mainly or wholly manufactured. Relatively, the falling-off is less in the third than in the other two major groups. With a few exceptions, reductions are shown generally throughout the list of main items in all groups. The greatest decrease in any individual commodity is recorded for coal, exports of which were valued at £702,004 as compared with £3,843,155 a year earlier.

### UNITED KINGDOM PAPER INDUSTRY IN 1940

FROM *The World's Paper Trade Review* (LONDON)

The principal paper-making raw materials have been under a wide measure of government control, exercised by the Ministry of Supply through the Paper Control, since the outbreak of war. Developments in the war situation during 1940 have imposed an even greater reliance on home-produced raw materials than was perhaps envisaged at the end of 1939. At the beginning of 1940 wood pulp was still coming in substantial quantities from Norway and Sweden, although the import from the other northern producer, Finland, had been affected by the Russo-Finnish War. Shipments from the Baltic suffered delays, however, not only on account of the shipping precautions which the European war enjoined, but also on account of an exceptionally severe winter, which delayed open water shipments for a much longer time than is normally the case. Shortage of water, fuel and certain chemicals pointed to a probable reduction of Scandinavian production in 1940, particularly of mechanical pulp, but there was no reason to believe that, had the political status quo been maintained, the northern countries would not have continued to ship a considerable tonnage of pulp to the United Kingdom market. . . .

With northern European supplies cut off, Britain had to look to Canada and the United States for her pulp. This trade had developed satisfactorily



and transatlantic suppliers have left no doubt of their willingness to meet the needs of this country. Their goodwill has been manifested strikingly on several occasions. Considerations of foreign exchange and shipping space, however, impose limits on the amount of pulp which can in present conditions reach this country from across the Atlantic. Prices and the allocations of supply are matters regulated by the Paper Control. A wood-pulp market, in the accepted sense of the term, no longer exists, as the sole purchaser is the Control. In the course of the year two Treasury orders have been made which impose charges on various categories of wood pulp.

#### ESPARTO

The year 1940 saw another severe blow struck at the British paper-maker's raw material supplies when, following the collapse of France, shipments from the Mediterranean practically ceased. Even in the earlier part of the year the scarcity of shipping space had caused arrivals to fall far below normal, but, as a result of urgent representations by the Paper Makers Association to the Minister of Shipping, there was good reason to hope that more esparto would reach this country. The tragic collapse of French resistance completely changed the Mediterranean picture and the provisions of the Trading with the Enemy Act were applied to the French esparto-producing provinces in North Africa. Spanish grass remained as a possibility, but Spain has also suffered from a shortage of wood pulp owing to the war and is more concerned with developing the use of esparto in her own paper mills.

#### HOME-PRODUCED MATERIALS

Thus the paper-making industry has been thrown back more and more on materials produced at home. Rags and waste paper, which in peace-time are used in sizeable quantities by British paper-makers, greatly increased in importance. Under the stimulus of the national salvage campaign large quantities were collected and mills were able to obtain most of their requirements to meet a severely restricted ratio of production. In the case of waste paper some shortage of the better grades has been apparent and the need has been repeatedly urged for intensive sorting of the big collections of mixed papers now coming forward from local authorities. Maximum prices have been in operation for the sale of rags and waste papers to the consuming mills and for certain grades of waste paper a licence has to be obtained.

Straw is a material, not used a great deal in normal times, which supplies a useful substitute for esparto. There is no lack of straw in this country—more, in fact, than can be handled by suitably equipped paper mills—and serviceable paper is being produced from this material. There has been criticism of the apparent disinclination of the Paper Control to allow a freer use of home-produced raw material by the paper mills; the restrictions have been relaxed in some measure by the Control of Paper (No. 28) Order, which is generally conceded to represent a move in the right direction. Under the Control of Paper (No. 29) Order licences are dispensed with for the production of paper. The slow rate of consumption hitherto permitted had certainly caused raw materials to accumulate and was causing some congestion in the salvage drive so far as paper-making materials were concerned.

#### OTHER RAW MATERIALS

The war has naturally affected, in varying degrees, other raw materials used in paper-making. Imported products in particular have tended to be scarce. French exports of rosin and casein to this country have ceased. The China clay trade has been severely hit by the restrictions imposed on the paper-making and pottery industries, coupled with the loss of important export markets. The chief chemicals used in paper-making have kept steady in price.



## IMPROVED OUTLOOK FOR EXPORTS TO INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

[This report was forwarded by Mr. Sykes from Vancouver under date December 26, 1940, for publication when trade figures for the twelve months of 1940 became available.—Ed.]

One of the outstanding developments in Canadian export trade during the past year has been the marked increase in shipments to the Indian market. From the rank of fourteenth among overseas purchasers of Canadian products in 1939, India has now emerged, during the twelve months ended December 31, 1940, as the seventh largest of Canada's trading connections. This has involved an improvement in export values from \$5,396,000 in 1939 to \$11,603,000 in 1940, an increase of 115 per cent.

A report published in *Commercial Intelligence Journal* No. 1869 (November 25, 1939), written shortly after the outbreak of the war, suggested that, with the elimination of various European countries as suppliers of Indian import requirements, Canada trade to this market might show substantial improvement. Subsequent developments have accentuated the situation reviewed at that time. At the moment India's extensive requirements of a wide range of raw and manufactured products are still being drawn to some extent from the United Kingdom, but the large and regular flow of goods of many European origins has ceased entirely and this trade has been diverted to suppliers in North and South America, Japan, China, New Zealand, Australia, South Africa and the African colonies, and Malaya. More precisely, India is now purchasing raw materials and foodstuffs from many new sources but in the case of more highly manufactured commodities is restricted to imports from the United Kingdom, the United States, Japan, and Canada.

Two prime factors are influencing this trend in India's import trade. The first is the growing demand of India's industries for materials and equipment. As was the case during the last war, many industrial establishments have been called on to extend and vary their operations in order to cope with the demand for military equipment as well as to meet the needs of the domestic market for supplies which cannot be procured from abroad. The second is the war-time regulation of trade, which has the more specific effect of concentrating purchases of many commodities in Empire countries. Laws originally issued in the early part of 1940 provide for the restriction of imports of a wide variety of goods from non-Empire sources, while similar rules governing the export of foreign exchange exercise a parallel influence on the country's import business. Canada has benefited appreciably from this situation and it appears probable that further improvement in Canadian sales to the Indian market will be recorded in future.

A large part of the increase in value of Canadian exports to India in 1940 as compared with 1939 has been due to improved sales of goods which were already being supplied to Indian buyers; but the value of the trade in others, which have been shipped for the first time or in which business has been resumed after a long period of years, is also important. The variety of the latter exports constitutes a tribute to the versatility of Canadian industry and affords an indication of the expansion in such exports which may yet be realized. These numerous articles can be listed roughly as hardware of various types, paper mill equipment, machine tools, toilet articles, various paper products, railway materials, fresh and dried apples, several types of textiles, printing materials, plywood, instruments, a variety of electrical equipment, and several beverages.

It is a foregone conclusion that the Indian market for many Canadian products will show even further expansion in future than it has during the past year. The demand from India will be characterized by an insistence on materials for use in Indian industry rather than for the ordinary types of consumer goods, although reasonable development in the trade in foodstuffs, some items of wearing apparel, and household equipment is also to be expected.

Maintenance by the Indian Government of its present import and exchange policies, which cause a minimum of disturbance to the even flow of business from Canada, can apparently be anticipated and should serve as a strong inducement to Canadian manufacturers and exporters to give all possible attention to this important outlet for their products.

## COLD STORAGE HOLDINGS OF FISH IN THE UNITED STATES

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, January 17, 1941.—The Fishery and Wild Life Service of the United States Department of the Interior has just issued a statistical summary regarding the cold storage holdings of fish throughout the United States as at December 15, 1940, as against similar holdings at the same date in 1939.

This summary shows that total holdings of frozen fish amounted to 87,332,814 pounds as against 83,478,115 pounds in the previous year, showing an increase of  $4\frac{1}{2}$  per cent. Holdings of frozen shellfish increased from 8,953,313 pounds to 11,005,268 pounds or by 22 per cent, while holdings of cured herring increased from 16,078,193 pounds to 20,526,395 pounds or by 26 per cent. On the other hand, holdings of mild-cured salmon decreased from 7,517,454 pounds to 4,781,617 pounds.

Total holdings in cold storage of all kinds of fish products thus rose from 116,027,075 pounds to 123,646,094 pounds, or by 7 per cent. Taking into account increasing consumption of fish and improved national income, this rise in holdings appears quite normal, and should have no depressing influence on price.

### HOLDINGS BY SPECIES

Holdings of individual species are more important than total holdings in judging price movements. In order to provide some method of comparison, the holdings at December 15, 1940 and 1939, of species which are of primary interest to Canadian shippers are shown in the following table:—

#### *Holdings of Fish in the United States by Species*

	Dec. 15, 1940	Dec. 15, 1939
	Pounds	Pounds
Frozen fish—		
Halibut . . . . .	10,792,645	7,219,465
Mackerel . . . . .	7,497,004	6,459,426
Haddock fillets . . . . .	6,398,196	6,389,737
Salmon, silver or coho . . . . .	4,795,277	2,845,168
Salmon, red . . . . .	3,136,677	1,892,110
Cod fillets . . . . .	3,002,098	2,997,558
Cisco (lake herring) . . . . .	2,762,321	3,785,433
Salmon, pink . . . . .	2,611,852	2,253,069
Whitefish . . . . .	2,311,683	1,864,826
Herring, sea (and alewives) . . . . .	2,004,177	1,971,257
Rosefish fillets . . . . .	1,367,986	3,362,978
Cod, haddock, hake and pollock (except fillets) . . . . .	1,267,180	944,597
Smelts . . . . .	1,230,924	655,829
Lake trout . . . . .	1,224,043	1,631,870
Sturgeon and spoonbill cat . . . . .	808,469	1,190,254
Perch, yellow . . . . .	583,470	738,766
Swordfish . . . . .	560,491	267,093
Shad and shad roe . . . . .	510,952	817,156
Salmon, steelhead trout . . . . .	409,369	505,094
Pike, blue and sauger . . . . .	261,547	1,205,935
Cisco (Lake Erie) . . . . .	212,483	448,842
Pike, pickerel, jacks . . . . .	208,294	136,345
Pike, yellow or wall-eyed . . . . .	194,665	387,520
Cisco (tullibee, Canadian lakes) . . . . .	124,284	160,908
Cured fish—		
Herring, cured . . . . .	20,526,395	16,078,193
Salmon, mild-cured . . . . .	4,781,617	7,517,454

A few noteworthy changes are shown in the above table. Halibut holdings are high enough to have a somewhat depressing influence on prices. Holdings

of smelts have almost doubled and, as a result, recent quotations for extras have gone down from a high of 23½ cents to as low as 18 cents. The holdings of all types of salmon are higher than last year and those of swordfish have more than doubled, but consumption is increasing.

Among the fish which should find a ready market because of lower holdings are rosefish filets (with most of last year's excess wiped out) and practically all the fresh-water fish, including lake herring, sturgeon, perch, sauger pike, Lake Erie cisco and yellow pike, but not including whitefish. There is an easier situation also as regards shad and shad roe, which were depressed in price throughout last year.

#### NEW ENGLAND AND MIDDLE ATLANTIC MARKET

As regards the territory covered by the New York office, figures are not available for comparison with last year. It may be of some interest, nevertheless, to tabulate the holdings as at December 15, 1940, in the two chief marketing areas, the New England States and the Middle Atlantic States. These two areas hold about half the total for the whole United States. The figures for December 15, 1940, are:—

#### *Fish Holdings in New England and Middle Atlantic States by Species*

	New England* Pounds	Middle Atlantic* Pounds
Frozen fish—		
Halibut . . . . .	157,581	528,369
Mackerel . . . . .	5,495,401	1,634,442
Haddock filets . . . . .	2,960,091	338,820
Salmon, silver or coho . . . . .	92,922	248,175
Salmon, red . . . . .	32,519	409,485
Cod filets . . . . .	1,826,760	248,214
Cisco (lake herring) . . . . .	33,432	316,701
Salmon, pink . . . . .	4,575	940,519
Whitefish . . . . .	26,861	1,765,906
Herring, sea (and alewives) . . . . .	878,407	487,939
Rosefish filets . . . . .	881,683	23,576
Cod, haddock, hake and pollock (except filets) . . . . .	675,162	56,086
Smelts . . . . .	306,875	345,401
Lake trout . . . . .	4,471	221,548
Sturgeon and spoonbill cat . . . . .	.....	786,280
Perch, yellow . . . . .	200	55,677
Swordfish . . . . .	253,976	136,728
Shad and shad roe . . . . .	48,173	397,043
Salmon, steelhead trout . . . . .	12,002	26,239
Pike, blue and sauger . . . . .	.....	56,343
Cisco (Lake Erie) . . . . .	.....	179,926
Pike, pickerel, jacks . . . . .	.....	12,023
Pike, yellow and wall-eyed . . . . .	56,000	38,424
Cisco (tullibee, Canadian Lakes) . . . . .	7,922	65,720
Cured fish—		
Herring, cured . . . . .	501,036	10,643,608
Salmon, mild-cured . . . . .	194,495	2,600,883

\* New England includes Massachusetts, Rhode Island, New Hampshire, Maine, Vermont and Connecticut. Middle Atlantic includes New York, New Jersey and Pennsylvania.

Although the nine states included above, generally speaking, consume about half the fish used in the United States, there are cases in which a wide discrepancy is seen to exist between storage holdings in this territory and those for the country as a whole. In explanation of such discrepancies, it must first be pointed out that consumption of fresh-water fish is almost non-existent in the New England area and that in the Middle Atlantic area practically the only consumption is by the Jewish trade. The low stocks of fresh-water fish are, therefore, quite normal. Similarly, more than half the stocks of cured herring and of sturgeon and mackerel are held in the Middle Atlantic area because of the large foreign-born population.



Stocks of swordfish and rosefish fillets appear inordinately high in the New England states; on the other hand the breakdown of halibut holdings shows that supplies in the East are quite moderate. The New York area has about 80 per cent of total shad and shad roe holdings and will likely provide a sluggish market.

Supplies of mackerel, haddock fillets, cod fillets, cod, haddock and hake, are at present too high in the New England states; but, as Boston, Gloucester and other fishing ports in that area are the chief sources of supply, this would simply indicate that distribution has not yet begun.

Apart from those species mentioned above, distribution of stocks appears to be normal.

## WHEAT AND FLOUR TRADE OF EGYPT

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

### WHEAT

Cairo, December 16, 1940.—In May, end of the wheat year in Egypt, the wheat statistical position was as follows:—

	Busbels
Carryover from 1939 crop (estimate) . . . . .	4,363,000
1940 crop (estimate) . . . . .	49,350,000
	<hr/>
	53,713,000
	<hr/>
Average annual consumption . . . . .	41,350,000
Used for sowing . . . . .	4,352,000
	<hr/>
	45,702,000
	<hr/>
Balance . . . . .	8,011,000

The carryover from the 1939 crop has already been exhausted by consignments to Cyprus and Palestine. In addition the export of a portion of the new crop has been authorized, as it is estimated that, despite the increased requirements of the British army, there is a surplus of some 3,000,000 bushels available for disposal abroad. Next year's surplus, given normal conditions, should be still greater, since the Egyptian Government proposes to extend the coming season's wheat acreage by 50,000 feddans (51,900 acres). It cannot, therefore, be expected that any wheat will be imported into Egypt during the present wheat year or the next.

### PRICES

The downward trend in prices of domestic wheat, already apparent at the beginning of the season, was accentuated during the summer, but a variety of factors has contributed to raise prices in the past couple of months. Army needs are increasing, mills are replenishing their stocks, there is a good demand for export to Palestine, Cyprus, Greece, and Malta, and growers are reluctant to part with their produce, hoping for further rises. By the end of May, Baladi wheat stood at 98 to 100 piastres (\$4.45 to \$4.55) per ardeb (5.44 bushels) and the Hindi variety at 107 to 110 piastres (\$4.86 to \$5) per ardeb as compared with 152 piastres (\$6.91) and 162 piastres (\$7.36) at the end of November, indicating an appreciable advance in prices.

### FLOUR IMPORTS

Imports of flour into Egypt amounted to 1,398 metric tons (one metric ton equals 2,205 pounds) in the seven months ended July 31, 1940, the latest period for which official figures are available, as compared with 2,224 metric tons in the calendar year 1939. They were supplied as follows:—

*Imports of Flour into Egypt*

	January-July	
	1940	1939
	Metric Tons	
United Kingdom . . . . .	55	125
Australia . . . . .	338	226
Canada . . . . .	....	50
United States . . . . .	1,005	1,819
Other countries . . . . .	....	4
Total . . . . .	1,398	2,224

From the date of Italy's entry into the war no foreign flour, except some small quantities of Australian transhipped to Palestine and Cyprus, reached this country. It is reported, however, that small shipments from Australia, India, the United States, and Canada are at present en route to Egypt but, according to trade circles, of the flour expected from these countries only that from Canada and the United States is for consumption in this country, that from Australia and India being intended for neighbouring markets, particularly Palestine and Cyprus.

Competent trade circles are of the opinion that, owing to high landed prices, flour imports into Egypt, already limited, will likely be greatly reduced, the higher-priced varieties such as Canadian and United States flour being the most affected. A certain interest in Australian and Indian flour is evident, it being anticipated that the British army stationed in Egypt will purchase certain quantities together with domestic flour; but very little interest is being shown in United States and Canadian flour, the price of which is considerably higher. Sales prospects for Canadian flour in Egypt are therefore not bright.

## PRICES

Best United States flour, presumably "Northern King", is at present offered at \$83 (United States) per ton of 2,240 pounds c.i.f. Egyptian port, war risks extra, and shippers insist on confirmed bankers' credit being cabled with order. Australian "Best Roller", first grade, is quoted at £15 15s. per ton c.i.f. Suez, war risks extra, for December-January shipment. Some Australian shippers demand the same terms as United States exporters, others are prepared to ship against documents in Egypt, and some are willing to forward on consignment. Indian "Household", afloat, is offered at £16 13s. c.i.f. Suez, war risks (7½ per cent) and commission (1 per cent) included, against confirmed bankers' credit in India. The foregoing prices do not include customs duty.

The following prices were quoted for domestic flour during the week ending December 7: superior quality, 112 to 114 piastres (\$5.09 to \$5.18) per bag of 54 okes (one oke is equal to 2.75 pounds); medium quality, 145 to 148 piastres (\$6.59 to \$6.73) per bag of 80 okes; and lower quality, 141 to 142 piastres (\$6.41 to \$6.45) per bag of 80 okes.

## TRANSIT TRADE

The flour transit trade, in which Canada participated, was once a flourishing one in Egypt, but, with import restrictions in neighbouring markets, only small quantities of flour are now being shipped in transit via this country, and the most favoured supplier in this respect seems to be Australia, preference being given in Palestine and Cyprus to flour originating in the sterling area.

(Detailed information concerning wheat and flour production in Egypt, customs duty, etc., is contained in a report published in *Commercial Intelligence Journal* No. 1877: January 20, 1940, page 88).

## RESOURCES OF FRENCH CENTRAL AFRICAN POSSESSIONS

FROM *The Chamber of Commerce Journal* (LONDON)

### French Congo

The total area of French Equatorial Africa, including the military territory of Chad, is 982,000 square miles, with a population of about three and a half millions. These are divided between numerous tribes and races. Across this vast area from east to west, from Jellab on the Sudanese border to Mount Cameroon on the Atlantic shore, there runs a ridge of high ground rising from 1,500 to 4,500 feet above sea-level. This ridge joins the Darfur plateau of the Western Sudan to the coastal range which stretches from south of Lake Chad to the mouth of the Congo; it separates the Congo Basin from that of the Chari River and its many tributaries which empty into Lake Chad and from the huge low-lying desert area that surrounds the lake.

There is an astonishing diversity of climate. In the desert zone in the north—that is, from Lake Chad to the Libyan frontier—there is a dry climate like that of the Sahara. The Chari basin is a tropical zone, with two distinct seasons, a wet and a dry. The southern country is equatorial, and experiences constant damp heat throughout the year and has a very heavy rainfall. The great natural resources of the territory are for the most part undeveloped, but the raw materials which form its main exports are very important at the present time. In 1938 the colony exported 275,000 metric tons of timber, 22,000 of palm kernels and palm oil, 10,000 of raw cotton; cattle are exported to Nigeria, the Sudan, and the Belgian Congo, but not to Europe. The main reasons for the backwardness of the country are the smallness of its population, which averages only 1.4 per square kilometre and is much ravaged by sleeping sickness, and the fact that the people can live according to their low standard with very little work.

The only railway in the country runs from Pointe Noire, north of the mouth of the Congo, to Brazzaville, the capital. Below Brazzaville the Congo is not navigable owing to the numerous rapids, but from Brazzaville the Congo and the Ubangi are navigable as far as Bangui, where there is a regular service of river steamers, and the Congo itself as far as Stanleyville. Over the whole country there extends a fairly comprehensive system of motor roads. Civil aviation has been developed successfully in recent years, and numerous bases and landing grounds have been established.

### Chad

Chad is the northernmost of the provinces, bounded on the east by the Sudan, on the north by Italian Libya, on the west by French West Africa, Nigeria and the Cameroons, and on the south by Ubangi Province. On the west frontier lies Lake Chad, 10,000 square miles of shallow water, which gives its name to the province. Chad was acquired by France only in 1900. It is a steppe country with a dry climate similar to that of the Sahara, and has a scattered population of roughly one million. It is a great cattle-breeding country—its stock is estimated at 400,000 cattle and four to five million sheep and goats—and it is also a great cotton-growing area. Its main importance at the present juncture is strategic, for, bordered as it is by the Sudan on the east and Nigeria on the west, it affords free communication between those two countries and completes the belt of Allied territory which separates Central and South Africa from the Axis Government of Libya in the north.



## Cameroons

This province, which has an area of 154,444 square miles and a population of about 2,000,000, consists almost entirely of the former German colony taken over in 1918. It is not, properly speaking, part of the French Colonial Empire, but is a mandate held by France from the League of Nations. Along the northwest border separating the Cameroons from British Nigeria there runs a range of mountains which rise to a height of over 5,000 feet, forming a barrier difficult to penetrate. The rest of the country is a vast plateau intercepted by broad but shallow river valleys. The mountain range is thickly forested. Along the coast south of the range there is a wide extent of equatorial forest.

Duala, chief port of the country, is a place of great potentialities. It can dock ships up to the size of 10,000 tons. It is connected by railway with Yaounde and with N'kongsamba, close to the Nigerian frontier. There is also a good road system which extends to the boundaries of the province and affords easy communication with Chad; in addition, river transport is easy and important. As in their other Central African possessions, the French have developed civil aviation and from the Cameroons there has been a weekly service in such places as Brazzaville, Bangui and Fort Lamy.

The natural produce of the Cameroons is of particular importance at the present time in that it is rich in groundnuts, palm oil and rubber, but the main export is of mahogany and hard woods, of which the supply is almost unlimited.

## INDUSTRIALIZATION IN BRAZIL

FROM *The Economist* (LONDON) OF DECEMBER 21, 1940

Brazil is one of the countries that are speedily developing their industrial capacity. A steady flow of foreign machinery is finding its way into the Republic for the manufacture of its own raw materials. The textile industry has made substantial progress in recent times. Whereas in 1928 the imports of cotton manufactured goods amounted to 5,032 metric tons valued at £2,789,487, in 1939, eleven years later, they totalled only 925 metric tons valued at £394,035.

The centre of the textile industry in Brazil is the go-ahead State of Sao Paulo. The consumption of raw cotton there in the first half of this year (1940) was 25,000 metric tons compared with 47,557 for the whole of 1939. The number of spindles working in the cotton mills is increasing; there were 925,008 on June 29 of this year (1940), as compared with 910,699 on December 30 of last year (1939). Moreover, machinery for mills in Brazil is still being imported; spinning and weaving machinery to the value of £171,000 was imported in the period January-June, 1940, and for the same period last year (1939) the figure was £244,000.

The fall in cotton textile imports has run parallel with a rise in exports. From the State of Sao Paulo alone in the period January-August this year (1940), 1,423 metric tons of cotton piece-goods were exported compared with 166 metric tons in the corresponding period last year (1939). In 1939 the exports for the whole country amounted to 1,982 metric tons compared with 247 metric tons in 1938. Their best customer nowadays is Argentina, which will be buying even more after the trade agreement between the two Republics signed on October 7. It provides for a yearly quota of 30 million Argentine pesos for textile imports from Brazil.

Late in October, the Board for the Defence of National Economy passed several measures for the protection of the textile industry. Its recommendations included the restriction of working hours in the mills, increased export of cotton goods, financial assistance to manufacturers with long-term loans for the

purchase of modern machinery, and a ban on the importation of old looms and second-hand machines of small output. These measures suggest that the manufacturers are striving to improve their output by organizing well-equipped, modern factories.

As for the rubber industry, fifteen factories are already established in the federal district of Rio de Janeiro. Last year (1939) they absorbed 1,127 metric tons of home-produced rubber, and their output, estimated at £380,000, included 75,000 tires, 65,000 inner tubes, and 80,000 overshoes. During the period January-June, 1940, refining and manufacturing machinery was imported to the value of £138,000, whereas none was imported in the same period of the previous year.

Mining and metallurgy are being developed under the recently formed National Council for the purpose. Special attention is being paid to improved methods of coal-mining and the increased use of national coal. (The annual production is 850,000 tons, and 1,382,000 tons are imported.) The program of the Council includes assistance to mining concerns, the improvement of transport, and the installation of a plant for the manufacture of patent fuel. The best coal comes from the State of Santa Catharina, where three furnaces are now being established for the production of foundry coke, as well as a plant for washing coal.

The production of pig iron is also going ahead. The estimate of the total production for the current year is 200,000 tons, an increase of 40,000 tons over that of 1939, while in 1934 output was only 58,000 tons. An ambitious program includes the production of rails, sheets, shaped iron and steel, under the Executive Commission for the National Siderurgical Plan, whose projects will take five years to develop fully.

Meanwhile, an agreement has been made with the United States Government for the construction of a large steel plant in Brazil. The Brazilian Government, the banks and private investors will subscribe \$25,000,000, and the Export-Import Bank of Washington will lend \$20,000,000 more on condition it is spent on plant and material from the United States.

## CONTROL OF THE MOVEMENT OF FOREIGNERS IN COLOMBIA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, January 14, 1941.—In order to control the movement of all foreigners entering, leaving or travelling in Colombia, the Foreign Department of the National Police is about to issue certain measures with which it is important that commercial travellers and others visiting this country should be acquainted.

The essential points of these new measures are:—

1. Each foreigner desirous of travelling between one town and another must obtain from the respective municipal authorities a special document for such purpose, stating the object of the journey and its duration.

2. The authority issuing the above permit will immediately advise the authorities of the town for which the permit has been granted.

3. Any foreigner desirous of travelling between various towns must, upon arrival at each town, present himself at the municipal offices and show the safe-conduct pass originally issued to him, as well as his "cedula de extranjeria" (a local passport which all foreigners must obtain upon arrival in the country).

4. Non-presentation of the documents mentioned incurs a fine, the amount of which has not yet been fixed.

5. Foreigners wishing to leave the country must obtain another special permit, without which they will be unable to embark at any port. When applying for this permit, the applicant must present a receipt or certificates

(previously obtained) to the effect that he has paid any income tax or other taxes for which he may be liable in Colombia. Before giving this latter certificate, the Finance Ministry will insist upon the presentation of the "cedula de extranjeria" (see para. 3 above).

The foregoing means that every foreigner requires the following documents:—

1. "Cedula de extranjeria" (local passport for which photographs of a standard size are necessary).
2. Certificate that all local taxes have been paid.
3. Permit to travel in the country.
4. Permit to leave the country.

Moreover, every passenger transport company in Colombia is obliged to notify the proper authorities, within 24 hours, of passages sold to or reserved by foreigners, in default of which a fine of 200 pesos will be imposed.

All hotels, pensions, boarding-houses, owners or renters of houses are obliged to give the local authorities full details of all foreigners residing in such buildings, in default of which notice a fine of up to 200 pesos will be imposed.

Any foreigner who may incur three fines during a year will be expelled from the country.

It is also semi-officially reported that a measure is to be promulgated whereby fines up to 500 pesos will be imposed upon any company or individual who employs a foreigner who does not possess his "cedula de extranjeria" or identification certificate.

## EXPORTS AND DEVELOPMENT OF COLOMBIA

FROM *The Statist* (LONDON)

Probably Colombia has suffered less than most of the South American countries from the closing of the markets of the European continent through the British blockade. Colombia is essentially a coffee-producing country. This is due to the fact that Colombia produces and is the largest producer of a mild type of coffee for which the country is famous, while the market for this type is hardly to any extent affected by over-production of neighbouring countries. Colombia's principal market for her chief product is the United States. This coffee, the growers of which are subject to strict regulations, is highly esteemed and commands a very high price both in New York and on the coffee exchanges of this country. Coffee in Colombia is grown on small holdings as distinct from the great plantations common in a neighbouring country. The growers, as already said, are subject to strict regulations with the object of insuring that the coffee sold under any particular description should be actually of that standard, and in addition it is carefully graded by the authorities.

Although New York is the great market, probably this country [the United Kingdom] comes second, but the Continent was until the outbreak of the war a very important market supported by those who required the special kind of coffee for which Colombia is famous. As Colombia, being in the tropics, is not affected by the changes of the seasons which so greatly influence plant growth in other countries, coffee can be grown at almost any period of the year, with the result that the industry is carried on throughout the year. There is hardly any indication of a busy or a dead season. There are in all nearly 200,000 plantations with approximately 550 million producing trees.

In addition to coffee Colombia produces rice, but only for domestic consumption. Rice is grown on some 200,000 acres. Some 110,000 acres are devoted to cotton and the tobacco plant covers some 40,000 acres. In addition Colombia



produces cocoa of an excellent quality, sugar, wheat, and some fruits, the most important of which are bananas, which are exported in relatively considerable quantities.

Bearing in mind that Colombia has an area of some 470,000 square miles, comparatively only a small part of the country is cultivated at all. This is due to two important causes; one being inadequate transport facilities and the other equally inadequate population. This enormous country, which has an area nearly equivalent in size to a quarter of Western Europe, has a population of only nine millions. Nine millions of people would have to be either very resourceful or very laborious to enable them to develop such an enormous country. If and when the Government has means at its disposal for the building of roads and developing the means of transport, the farmer will be able to extend his operations. But improving the transport in Colombia is by no means an easy operation. In order to appreciate the magnitude of the problem of improving transport facilities either by the building of railways or by the construction of roads, it has to be remembered that the country is divided practically from north to south by three great ranges of the cordilleras of the Andes with fertile valleys between each range. These ranges are known as the west, central and eastern cordilleras. The central contains the highest mountains, but the eastern cordilleras are regarded as the most important, as they consist of a series of vast tablelands of great elevation upon which the bulk of the population lives. Although this region is situated absolutely in the true tropics, the temperature corresponds with that of the temperate zone, being relatively warm in the daytime but becoming distinctly cool after nightfall when a light overcoat outdoors and a fire within have many attractions. In such circumstances it will be realized that the development of transport facilities in the country, although presenting no unsurmountable problems from the point of view of the railway or road engineer, is naturally an extremely expensive proposition and of course retards the economic development of the country. For example, it is estimated that Colombia has between 150 and 200 million acres covered with magnificent forests producing some of the finest timber to be found in any part of the world, consisting of mahogany and cedar wood, besides many woods used for medicinal purposes. It may be thought that there is a world-wide demand for such timber as that described, and of course there is, but it can only be sold in the markets of the world even in peace-time if some regard is paid to cost. If the cost of timber goes on multiplying every half-mile that it is transported, the reader will appreciate that ultimately the cost becomes prohibitive.

To a large extent it may be said that Colombia's economic well-being is held back by the lack of transport facilities and for the want of adequate population capable of developing her admittedly rich resources. Coffee can be grown in certain areas near to a river or to a port of shipment and, being in bags of roughly 60 kilos each, is relatively easy to transport. Gold and certain precious minerals are also exported. In fact at one time before the gold discoveries in Australia and California, Colombia was one of the principal sources of world supply for this precious metal. In addition Colombia produces copper, manganese, emeralds and platinum. Most of these will bear a relatively high freightage. In fact in the case of the precious metals the cost of freight is of comparatively little importance. This is not so in the case of what we usually mean by primary products.

The two crying needs of Colombia are improved transport and a larger population.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### FURTHER PARTICULARS OF IMPORT RESTRICTIONS, JANUARY 1, 1941

With reference to the article that appeared on page 100 of the last issue of the *Commercial Intelligence Journal*, Mr. S. Laney, Australian Customs Representative in New York, has furnished further particulars of the additional licensing restrictions on imports into Australia from non-sterling countries (including Canada) that became effective on January 1, 1941. Goods affected, other than those already published, include:—

##### GOODS REDUCED 100 PER CENT

Linseed; enamelled vats of specified size; mechanical household hand food mixers and choppers; mercury contact tubes; oil immersed static condensers; electrodes for neon signs; blackings and dressings for boots, leather, floors, furniture, knives, metals, stoves; bronzing and metal liquids; cloth oil; cutting oil; lithopone; carbonate of soda; pyrethrum and preparations of; butyl alcohol and acetates; acetyl-salicylic acid; cycle bells, mudguards, parcel carriers; fashion periodicals; paper reels, bobbins, etc., for spinning and weaving; unspecified musical instruments, except mouth organs; bottle capsules of celluloid, synthetic resin, papier-maché and the like; lithopone; lint gauze bandages; manicure tweezers; olive oil for specified purposes; bass, coir, jute, oakum, hemp.

##### GOODS REDUCED 75 PER CENT

Bed ticking; cements and prepared adhesives, mucilage, liquid glue, belting compounds; unspecified articles of celluloid, xylonite, synthetic resins, caseine, bone, ivory, pulp, papier-maché, indurated fibre, or asbestos.

##### GOODS REDUCED 50 PER CENT

Cocoa butter for the manufacture of chocolate; artificial sausage casings; hair nets; emery, oil, and whet stones; manufactures of paper such as price lists, show cards, catalogues, circulars, printed advertising matter, tickets, time-tables, billheads; bulbs for manufacture of electric lamps; greaseproof and imitation greaseproof paper including glassine; enclosed type heating elements for electric stoves; unspecified malleable iron castings.

##### GOODS REDUCED 25 PER CENT

Raw coffee; beans; paper staplers using ready-made staples; manila hemp.

### Ireland

#### CERTIFICATE OF ORIGIN FOR CANNED FRUIT AND CANNED VEGETABLES

The Eire Revenue Commissioners advise that as canned fruits in water or syrup are treated as "produce" for tariff preference purposes, in order to obtain preferential treatment they must be accompanied by Certificate of Origin No. 132 (Sale). The country of origin in this certificate has regard to the origin of the fruit only. Fruit pulp and canned vegetables are also regarded as "produce." Certificate of Origin No. 119 (Sale) is the proper form to use in support of a claim to the preference granted Canadian or United Kingdom fruit pulp, or the preference granted to the whole Empire as regards canned vegetables.

#### NEW IMPORT QUOTAS FOR COTTON PIECE-GOODS

Mr. James Cormack, Canadian Trade Commissioner in Ireland, advises that by four Orders of the Government of Eire, all dated December 31, 1940, the third quota and quota period have been fixed for the importation into Eire of the following woven piece-goods:—

Cotton piece-goods for bed sheets, ticks or mattresses, dungarees, and cotton piece-goods without pattern in colour for shirts and pyjamas: 150,000 square yards. Of this total 148,000 square yards must come from the United Kingdom or Canada. The quantity for the above items for the previous three-

month period was 100,000 square yards, of which 99,000 square yards were to come from the United Kingdom or Canada.

Cotton piece-goods with woven pattern in colour for shirts and pyjamas: 400,000 square yards. Of this amount 396,000 square yards must come from the United Kingdom or Canada. The total for the previous three months was 200,000 square yards, with 198,000 from the United Kingdom or Canada.

Other cotton piece-goods: 20,000,000 square yards, 19,800,000 square yards of which are to come from the United Kingdom or Canada. The amount for the previous three-month period was 9,000,000 square yards, of which 8,900,000 square yards was to come from the United Kingdom or Canada.

The quota period for the above items extends from February 1, 1941, to July 31, 1941.

Cotton piece-goods which are terry: 90,000 square yards. Of this amount 89,000 square yards must come from the United Kingdom or Canada. The amount fixed is the same as that for the previous three-month period. The period fixed extends from February 1, 1941, to April 30, 1941.

### Northern Rhodesia

#### EXCHANGE REGULATIONS GOVERNING IMPORTS

The government *Gazette* of Northern Rhodesia on December 6, 1940, published a notice (No. 740) respecting exchange facilities for imports, reading as follows: "For the purpose of conserving sterling exchange and of avoiding the dissipation of resources in unessential directions, it has been decided to make arrangements in advance of the introduction of a system of control of actual imports, for imposing greater restriction than has existed previously upon the grant of exchange facilities for financing imports from overseas and foreign countries. In pursuance of the exchange control arrangements existing under the Emergency Powers (Defence Finance) Regulations, it is intended to refuse applications for exchange facilities for the importation of non-essentials payment for which has to be made outside the sterling area (which area includes the greater part of the British Empire, but not Canada). This refusal will operate in all cases where the goods have not actually been shipped and in all cases where the importer has already received warning of the policy of the Control. Such warning has already been received in individual cases, and is deemed to have been received in all cases by the publication of this Notice. As regards essentials, importers who require exchange facilities for payments outside the sterling area are required to apply to the Control, through their banks, for such facilities on the prescribed forms before placing their orders and to produce satisfactory evidence that a substitute for the goods they seek to import cannot be obtained within the sterling area. In the absence of such evidence or of prior application (subject to the non-receipt of warning as indicated above), exchange facilities will be refused."

### Trinidad

#### CURRENCY FOR PAYMENT FOR IMPORTS

The Trinidad Control Board on January 9 issued a notice to importers stating that: (1) goods of United States origin imported from the United States must be paid for in United States currency; (2) goods of Canadian origin imported from Canada must be paid for in Canadian currency or in sterling in the name of the supplier; (3) the method of payment in each case must be clearly set out in the order. This notice, the Trade Commissioner explains, would prevent United States firms with branches in Canada drawing on local importers from their United States office rather than directly from their branch office in Canada. The term "supplier" in the notice means either Canadian manufacturer or shipper as the case may be.



## Dominica

### DUTY-FREE ENTRY FOR MILK AND EXTRACTS OF MILK

A Dominican Ordinance of November 27, 1940, cancels the duty on milk and extracts of milk and admits these products free of duty from all sources. The former rates of duty per 48 pounds were: on condensed or otherwise preserved milk, containing not less than 7 per cent butter fat, 1s. 6d. British preferential tariff and 2s. 8d. general tariff; on other kinds of milk, 3s. British preferential tariff and 5s. general tariff.

## Dominican Republic

### RATIFICATION OF TRADE AGREEMENT

Ratifications of the Trade Agreement between Canada and the Dominican Republic, signed on March 8, 1940, were exchanged on January 22, 1941, at Ciudad Trujillo, capital of the Republic.

The Agreement went into force provisionally on March 15, 1940. It was approved by resolution of the Canadian Senate on July 24, 1940, and the House of Commons on July 30. An Order in Council of August 13 authorized the aforementioned exchange of ratifications.

Under this agreement, Canada and the Dominican Republic exchange most-favoured-nation treatment in tariff matters. It exempted, from date of signature, Canadian dry salted hake, pollock and cusk, smoked herring, and other smoked fish from Dominican internal revenue tax of \$5 per 100 kilograms, and fish in brine, from tax of \$4 per 100 kilograms. Ordinary customs duties of \$2.25 and \$2 respectively continue to apply to these classes of fish. The Agreement exempts Canadian seed potatoes both from internal revenue tax of \$5 and ordinary customs duty of \$1 per 100 kilograms. It guarantees continued entry free of internal revenue tax of Canadian wheat in the grain.

The Agreement is to remain in force three years from the date of exchange of ratifications, and thereafter until terminated on six months' notice given by either party.

## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Argentina

#### J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, January 17, 1941.—A system of exchange control and official control of imports of merchandise has been in effect in Argentina since before 1935.

The Argentine Government, through its official Exchange Control Board ("Junta de Cambios") buys at a fixed rate, based on the United States dollar, the foreign exchange arising from the export of goods and produce from Argentina. Since the outbreak of war this rate has been 3.3582 Argentine pesos to the United States dollar. As the cross-rate between the United States dollar and the pound sterling is fixed, the equivalent buying rate for sterling export bills is fixed automatically at 13.50 Argentine pesos to the pound; the pre-war rate for sterling export bills was 15 pesos to the pound. The exchange arising from exports is in practice purchased by the private banks on a fixed commission basis for the account of the Exchange Control Board.

The amount of foreign exchange turned over to the Exchange Control Board by exporters is based on the combined volume of all the main items exported from Argentina. The Exchange Board establishes at intervals, in accordance with the market trends, the unit values of the various classes and qualities of goods exported. The exporter must turn over his exchange on the basis of these values rather than on the basis of the actual selling price or invoice value of the goods.

The Exchange Control Board re-sells the foreign exchange received from exporters and others at a substantial profit to the Board, to importers of goods and to others as follows:—

1. To authorized importers of preferred classes of goods, irrespective of the country of origin of the goods, who hold an official import permit covering a particular order placed abroad at 3·7313 pesos to the United States dollar or 15 pesos to the pound sterling. The profit is 0·3731 peso per dollar or 11·1 per cent.

2. To authorized importers of other classes of goods, irrespective of origin, who hold an official import permit covering a particular order at 4·2289 pesos to the United States dollar or 17 pesos to the pound sterling—a profit of 0·8707 peso per dollar or 38·6 per cent.

3. To private individuals or organizations for the transfer of capital, dividends, interest or for any other remittances, apart from payments for imported goods, to all countries in the dollar area, such as Canada or the United States, at a variable or “free” rate which is currently 4·2450 pesos to the United States dollar or its equivalent in Canadian dollars. This variable rate is allowed to fluctuate, but only at the discretion of the Central Bank.

4. To individuals or organizations for remittances, as in section 3 above, to the sterling area at rates and under conditions as fixed under the payments agreement between Argentina and the United Kingdom.

5. To individuals or organizations for remittances, as in section 3 above, to certain other countries which include those with the following currencies:—pesetas; French and Swiss francs; lira; reichmarks; yen, etc., at rates based on the United States dollar rates.

6. To Argentine government departments to meet obligations payable abroad except to pay for merchandise imports which are covered under sections 1 and 2 above.

The Exchange Control Board has made a profit of 913,000,000 pesos, or approximately \$275,000,000, under the exchange control system during the past five years. These exchange profits are intended to meet any losses under the guaranteed minimum grain price policy of the Argentine Government and subsidies to other agricultural producers.

#### IMPORT PERMITS

Imported merchandise cannot be cleared through the Argentine Customs unless the importer can present an official import permit covering the particular lot of goods entered at the Customs and consigned to him. The import permit must be obtained from the Exchange Control Board before the arrival of the goods. Goods should not be shipped under any circumstances until assurance has been obtained that the corresponding permit has been secured by the buyer in Argentina. After the goods have been cleared through the Customs and the import permit has been stamped officially by the Customs Officer to that effect, the import permit, on presentation at a private bank in Argentina, is itself the authorization for the bank to sell the importer the corresponding amount of foreign exchange in the currency stipulated in the permit. The country of origin of the corresponding goods, the amount, and the value is indicated in the import permit. A certain tolerance is permitted in stating the value of the goods to be imported when applying for import permits, as the exact c.i.f. value cannot always be known in advance, but if the holder of an import permit does not use it or alternatively turn it back to the Exchange Control Bank within a stipulated period, a fine is incurred by the applicant.

## IMPORT CONTROL POLICY

Argentina excludes certain classes of goods entirely and admits other goods subject to quota restrictions in respect of particular countries, but if a commodity is admitted from any country, it enters on an equally competitive basis with similar goods of all other origins. The former 20 per cent exchange preference to certain countries has been abolished from the exchange control system.

Argentina has a credit balance with the sterling area, particularly with the United Kingdom, and a debit balance with the dollar area, mainly with the United States. These balances have to be settled unilaterally now, as Argentina cannot use her surplus sterling credits to pay for purchases of goods from North America or other dollar countries.

Argentine import control policy may be discussed under three broad divisions: Argentina versus the dollar area; Argentina versus the sterling countries; and Argentina versus other countries.

## DOLLAR AREA

Argentina's main problem at the present time is to find enough dollars to pay for all the essential raw materials, semi-manufactured and manufactured goods that must be purchased from the dollar area as a result of the shutting-off of her normal European sources of supply and the curtailment of certain exports from the United Kingdom to Argentina. The Argentine Government is encouraging a still further expansion of domestic manufacturing industries. Argentina paid for her supplies of European and United Kingdom goods before the war with her exports of grains and meats. While the dollar area could without difficulty supply the increased quantity of goods required by Argentina, North America cannot accept payment for all these goods through increased purchases of agricultural products from Argentina, and some 95 per cent of Argentine exports to all countries are made up of agricultural products. Argentina has to pay for her purchases from the United States, Canada, Newfoundland and Hongkong and for part of her petroleum requirements from Venezuela, Colombia and Peru in United States dollars. Consequently her purchases from these countries are limited by the amount of dollar exchange available in Argentina.

The Argentine Government has estimated that the deficit in her balance of payments with the dollar area amounted to 370,000,000 pesos (approximately \$100,000,000) for 1940. This deficit was due to the increase in imports of North American goods, particularly iron and steel and certain raw materials, since last June. In order to meet part of this deficit, the Argentine Government shipped 1,686,021 fine ounces, or nearly \$60,000,000 worth, of gold from her gold reserves to New York largely between August and December of last year. The Argentine gold reserve still represents 113 per cent of the note issue and 79 per cent of the combined note issue and other obligations, according to an official statement here.

Argentina could not continue to meet deficits in her balance of payments with the dollar area for an indefinite period through shipping gold from her reserves on the 1940 scale. The alternative was to restrict her purchases of goods from North America still further and obtain dollar credits to meet the remaining deficit.

The Argentine Government estimated that on the basis of the import restrictions in effect for the dollar area during 1940 her purchases from that area would reach a value of 580,000,000 pesos (\$146,000,000) in 1941. This figure includes 285,000,000 pesos (\$76,000,000) that would be required to pay for essential raw materials and certain essential manufactured goods not produced in Argentina, and it was felt that this figure could not be reduced for 1941.



It also includes another 72,000,000 pesos (\$17,000,000) for automotive products and farm implements and their parts, but it is planned to reduce this figure by two-thirds or to \$5,700,000 for 1941. The balance of 223,000,000 pesos (\$53,000,000), which covers certain other manufactured goods, can be reduced to 180,000,000 pesos (\$43,000,000) by subjecting each commodity in this group to a 50 per cent quota or for certain items by granting permits only after "special study" in the case of each application for an import permit. Even with these restrictions it was estimated that Argentina would have a large deficit in her balance of payments with the dollar area in 1941 after meeting financial services. Argentina was able to secure credits from Washington (in December last) for an aggregate of U.S.\$110,000,000, including \$60,000,000 from the Export-Import Bank and \$50,000,000 for a stabilization fund. It is expected that these credits will take care of the remaining deficit for 1940 and permit Argentina to balance her dollar accounts in 1941 on the basis of the new restrictions, as proposed, on purchases of goods in the dollar area by Argentina. Any increase in the sales of Argentine products in North America during 1941 should permit of a corresponding increase in purchases by Argentina.

#### STERLING AREA

The United Kingdom takes the interest and dividends on her capital investments in Argentina in the form of grain, meats and other agricultural products, but has not been able to export to Argentina in sufficient volume to pay for the remainder of her purchases from that country.

Since the outbreak of the war a payments agreement has been signed between Argentina and the United Kingdom which controls all payments in sterling between the two countries. Argentina permits the importation of every class of goods from the United Kingdom without restriction. The United Kingdom does not permit Argentina to convert into dollars sterling balances to her credit in London in order to pay for purchases from countries in the dollar area, such as Canada or the United States. At times during 1940 Argentina probably had fairly substantial "frozen" sterling balances to her credit in London, but there has been a reduction in United Kingdom purchases of Argentine meats and grain during the past six months. There has also been a decrease in United Kingdom exports to Argentina, so that the "frozen" sterling balance may not now present a very serious problem for Argentina.

#### OTHER AREAS

Argentina has a clearing or barter agreement with Japan. She accepts Japanese textiles of specified classes and certain other manufactured goods, including chemicals, in exchange for raw wool, hides, "quebracho" extract, etc. Argentine trade with Spain is based on specific barter agreements covering the shipment of Argentine grain in exchange for certain Spanish manufactured goods.

Argentina has a favourable balance of payments with the majority of the other Latin-American countries except the oil-producing countries such as Venezuela, Colombia and Peru, where a proportion of the Argentine oil purchases have to be paid for in dollars. Argentina recently signed a new trade agreement with Brazil. It is expected that there will be some increase in Brazil's purchases of Argentine wheat, and Argentina will in turn increase her purchases of cotton piece-goods, lumber and certain other manufactured goods from Brazil. Argentina also purchases coffee, bananas and oranges from Brazil.

Argentina is negotiating a new trade agreement with Uruguay, and it is reported that there is a possibility of a customs union being arranged between Argentina and Uruguay. Argentina is making every possible effort to expand her trade with the neighbouring Latin-American countries in order to ensure wider markets for her expanding manufacturing industries.

## OUTLOOK

Argentina must budget her available resources in dollar exchange in order to ensure minimum supplies of essential raw materials, semi-fabricated goods and fully manufactured goods from the dollar area. She must also do without the goods that cannot be produced at home or financed from abroad with the exchange available in Argentina. As the war continues, the need for even more drastic economy in the purchase of imported goods will increase. Argentina has large exportable surpluses of grain and meats and other products for which no markets are now available. Foreign credits, such as those obtained from the United States, only serve to meet deficits that already exist or that can be expected to arise in the near future. The recent \$110,000,000 credit merely meets the deficit in sight for 1941. Consequently it may be expected that all applications for permits to import goods from Canada during 1941 will be carefully studied by the Argentine authorities from the point of view of the absolute necessity of importing the particular goods and the possibility of obtaining them from an alternative source of supply outside the dollar area or paying for them from available credits to Argentina.

## Brazil

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, January 14, 1941.—Decree-law No. 1202 of April 8, 1939, removed many of the restrictions which had been in force since December, 1937, particularly as regards the payment for imported goods; at the same time, its provisions were designed to ensure against abuses and, as far as possible, against serious depletion of exchange reserves. It recognized priority of claim on exchange resources, providing that government requirements and payments for goods imported and services rendered in connection with goods exported should be satisfied before non-commercial or dividend and interest payments could be met.

## ACQUISITION AND CONSERVATION OF EXCHANGE

Almost the entire supply of foreign exchange in Brazil normally results from the export of goods. Certain amounts accrue from tourist spendings and sales of gold, and a small amount from the sale of services. Since the outbreak of war there has been an important increase difficult to estimate in the amount of foreign exchange brought in by refugees and in the form of capital for investment. However, exports still remain the predominant source of exchange.

Although exchange transactions may, by the terms of the decree-law, be carried on freely on the open market, certain requirements must be strictly adhered to. No one is permitted to engage in the buying or selling of exchange unless authorized to do so by the banking authorities. Thirty per cent of all export bills must be sold to the Bank of Brazil at a rate designated as the official rate by the Bank. This part of the export bills is earmarked for government uses. Commercial banks and banking houses are not permitted to carry heavy balances of foreign exchange and, should they find themselves in the position of holding more than \$10,000, must liquidate their bought position within twenty-four hours or sell the surplus over and above that maximum to the Bank of Brazil at a rate specified by the Bank. Although the actual exchange transactions are free, the limitations placed upon them by the Bank of Brazil thus form a close control not only as regards the uses to which the exchange may be put, but also as to the actual rates of exchange.

As the foregoing outline indicates, there are two types of exchange current in Brazil: official exchange and free exchange. There is, however, a third, legally recognized, termed "special free exchange". Those operating in this market are permitted to buy and sell travellers' cheques, foreign currencies brought in

by tourists, and personal cheques cashed by tourists or visitors. Such exchange, however, may not be used for ordinary commercial purposes and is available only for tourists leaving Brazil or Brazilian residents going abroad.

It is prohibited in Brazil for any one, other than the Bank of Brazil, to maintain milreis credits for non-residents.

### PAYMENT FOR IMPORTED GOODS

The foregoing brief outline of the mechanics of Brazilian exchange will serve to indicate that Brazil is keeping a close watch on her exchange position. This should tend to obviate the conditions experienced in the past which necessitated moratoria and the creation of frozen credits. In other words, the restrictions may be looked upon by the Canadian exporter as a safeguard for his outstanding accounts in Brazil.

Canadian firms on occasion encounter delays in receiving their remittances from Brazil. In the light of past experience these delays tend to cause a certain amount of hesitancy in dealing with Brazil. Under the various headings below the general causes of these delays are set out. In each case it is assumed that all documents accompanying the shipment are in order, since delays are bound to occur and fines probably be imposed if there are any discrepancies or errors in the consular invoice or bill of lading. Similarly, it happens very often that goods imported are not properly described in the consular invoice or that in the customs house itself goods are classified under a higher tariff item than the agent or importer believes justified. When this happens, an appeal must be made to the customs authorities and the goods remain in customs until the dispute is settled. As a rule, no remittance of foreign exchange may be made until the goods have actually been cleared through the customs house and entered for consumption.

### GOODS SOLD FOR CASH AGAINST DOCUMENTS

Generally speaking, cash against documents are the best terms that can be obtained in Brazil. The procedure is as follows: The importer is advised by the bank that the documents covering the shipment have arrived and, if the goods have also arrived in the port, the importer then pays to the bank the equipment of the value of the draft in milreis. In so doing, he has satisfied the legal requirements, the goods have been paid for and the documents are handed over to him. He then clears the goods through the customs, a process which requires a week or ten days and often two weeks. When the goods have been cleared for consumption, the customs authorities issue a certificate of duties paid and entry for consumption, which must be surrendered to the collecting bank for submission to the exchange control authorities in order to obtain release of the necessary amount of foreign exchange. Beyond the ordinary clerical delays, usually amounting to no more than a few hours but sometimes one or two days, there is no need whatsoever for delay; yet delays do occur. This is invariably due to failure on the part of the importer, to surrender the entry certificate to the collecting bank.

A variation of this procedure, which is often followed either on the instructions of the exporter or on the bank's own responsibility in the case of well-known customers, consists of the surrender to the importer of the documents necessary to clear the goods before receiving actual payment from the importer, who signs a note of responsibility for the documents. In many instances this courtesy gesture actually speeds up the transference of exchange because, after the goods have been cleared, the importer has still to meet his obligation on the draft and therefore delivers the customs certificate more promptly than when he has satisfied the financial obligations upon receipt of the documents.



## DOCUMENTS ON ACCEPTANCE

In some ways the time draft is more advantageous than cash against documents since there is a definite date stipulated for payment and, as the goods are cleared previous to that date, the collecting bank secures the customs clearance certificate at the time of collection.

## CONSIGNMENT OR OPEN ACCOUNT

Transactions of this nature are not to be recommended, except in the case of regular business on a large scale or when the exporter is dealing with a branch of his own organization in Brazil. In this class of business delays are the rule and may be extremely protracted, the reason being that actual proof of sale must be shown by the importer, before exchange will be granted. In the case of goods which may remain in stock for a considerable period, remittance may thus not be made until the entire stock is cleared out.

When it is desired that an importer have as much time as he wishes to dispose of goods, it is better to draw against him for a stipulated amount and to give instructions to the collecting bank to make collection at the convenience of the importer.

In the case of the large companies, such as milling companies, motion picture companies, public utilities, etc., which require a constant and large amount of exchange for their everyday business, a special method has been adopted. These companies are more or less automatically granted a stipulated amount of exchange which they can use daily in their transactions. They are not permitted, however, to exceed this amount, nor are they allowed to purchase exchange on the free market. This method has the advantage of affording control over the largest consumers of exchange, since the daily quotas may be increased or decreased as the exchange reserve of the country fluctuates. Similarly it prevents, to a great extent, fluctuations in the value of exchange which might be caused by a less orderly handling of these large accounts.

## IRREVOCABLE LETTER OF CREDIT

The original decree-law prohibited the opening of an irrevocable letter of credit or any form of payment before the arrival of the goods for consumption in Brazil. This regulation was modified by a ruling of the Bank of Brazil in August, 1939, which gave permission to open credits abroad with the previous consent of the Bank of Brazil. This privilege is not generally extended in practice, but is confined to the importation of commodities regarded as raw materials, prime necessities or of goods considered important to Brazilian industries. Rarely, if ever, are irrevocable letters of credit allowed to be opened in the case of goods similar to those already manufactured in Brazil or which might be considered luxuries or non-essential.

## EXCHANGE TAX

To create a fund to be employed in exchange control and probably to discourage the export of exchange as much as possible, a tax on all transactions involving payment of foreign exchange, with the exception of those of a governmental nature, was imposed. The original decree-law set this tax at 5 per cent of the amount of exchange involved in transactions resulting from the importation of goods or for payments in connection with the exports of Brazilian products, and 10 per cent in the case of all other remittances. Since the original decree was promulgated this tax has been modified and at the present time 5 per cent is collected on all transactions, except those of the Government.

In the case of imports, this tax acts as a surtax on the c.i.f. value of the goods and therefore has the effect of curtailing imports to some extent.

### OUTLOOK

At present there are no indications of any intention on the part of the Brazilian Government to modify the regulations now in force. Naturally, any decision must be taken in the light of conditions as they develop and it is most difficult to foretell what the trend is likely to be in the immediate future. During the last few years Brazil has not been favoured with very satisfactory trade balances and, as mentioned previously, Brazil's ability to command foreign exchange depends on the successful exportation of Brazilian products or a decrease in the value of imports. The year 1939 closed with a very low trade balance and for the first ten months of 1940 there was reported an adverse balance of over 228,000 contos of reis or approximately \$13,000,000.

Fortunately, during the year there was a heavy movement of what might be called fugitive capital from Europe and at the same time refugees from Europe transferred to Brazil funds from other centres, such as London and New York. It is impossible to report the exact amount of the new capital so entering Brazil, estimates varying from \$15,000,000 to \$25,000,000. It would seem that Brazil's ability during 1940 to maintain her exchange position was due largely to this influx. Exports decreased in value during the first ten months of 1940 to 4,059,000 contos as compared with 4,773,000 contos in the corresponding period of 1939, or about 20 per cent, whereas imports showed an increase in value. It is impossible to say whether more fugitive capital will seek a home in Brazil during 1941, but if it does it seems safe to assume that it will be on a much smaller scale.

It would seem advisable, therefore, to continue to treat the Brazilian situation with a degree of caution to the extent of definitely avoiding the opening of long-term credits. Ordinary cash-against-documents business may be undertaken with the minimum risk of exchange complications.

### Colombia

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, January 4, 1941.—For over a year Colombia has been experiencing difficulties in obtaining sufficient foreign exchange to meet its requirements and the Exchange Control Board, in co-operation with the Banco de la Republica, continues to supervise and regulate strictly all foreign exchange transactions as well as the import trade. The Colombian peso has, however, remained fairly firm at 1.75 peso to U.S.\$1.00.

Application for an import permit must be made and granted before imports of any kind will be permitted entry and exporters should not ship merchandise to Colombia until they have received a copy of the import permit covering the order which they have received. If an import permit is granted, exporters are assured that exchange to cover the amount will be available some time.

Decree No. 89 of April 8, 1940, listed all imports under one of four classes or "turnos". The first class includes what were deemed primary necessities and consisted in part as follows: wheat, payments up to a sum not higher than the average import value for 1938 and 1939 and in accordance with regulations; malt or malted barley; wheat, oats and other cereals, crushed, pearled or hulled; prepared milk for children; condensed, evaporated, and powdered milk; chemical fertilizers; tanned leathers; transmission belts; gloves for agricultural workers and labourers; wooden heels; wood-pulp for the manufacture of paper; wooden handles for tools; yarns and threads of all classes; paper and cardboard; wallboard; iron and steel products; agricultural implements; barbed wire; machinery; paints; rubber tires; tubes; aluminium; lead and lead products; insecticides and disinfectants; pharmaceuticals.

Any surplus exchange available after satisfying all the requirements for imports listed under Class 1, it was decreed, would then be used by the Exchange

Control Board in the release of permits for imports listed under Class 2 and thereafter for those in Classes 3 and 4.

The complete list of articles, which includes every item enumerated in the Colombian tariff, divided into the four classes is on file at the Department of Trade and Commerce, Ottawa. Following are summary lists:—

*Commodities in Class 2.*—Wheat bread, biscuits, crackers, grape-nuts, black bread for invalids; soda biscuits and prepared cereal for breakfast; tea; table oil; rough lumber; compressed cardboard of straw or wood-pulp, in sheets, both sides covered with a heavy coat of paint on aluminium paper and proper for partitions, ceilings and constructions; barrels, kegs, tubs and tierces, whether knocked down or not, and dowels for same; paper and cardboard prepared for retail sale, without envelopes; pictures, printed or engraved, and photos and paintings, with or without frame, without any advertisement; rugs and carpets, and fabrics for their manufacture, made with thread having a cord of twisted paper; paper mats for lining automobile seats; pots and pans and articles for kitchen use, as well as all domestic articles of white and decorated porcelain; powders and other washing materials; compounds for cleaning, cleaning stains, soap, tar, etc., with a base of turpentine or benzine, such as shoe polish, cream and greases, blacking for leather, pastes, pomades and powder for cleaning and polishing metals, prepared wax to polish furniture, etc.

*Commodities in Class 3.*—Wheat, payment for quantities in excess of that allowed in list No. 1; barley; oats; fresh fruit; fruits of all kinds, dried; candies and sweets without chocolate, candied and crystallized fruits; fruits preserved in their own juice, syrup or liquors; meats; fish unprepared but smoked, salted and dried; meats different from those classified in Articles Nos. 46 and 47; fish preserved in sauce, etc.; butter and cheese; syrups, fruit juices, lemonades, kola, gums and similar beverages not medicinal; leather soles and heels; cotton, hemp, jute and other fibres; rubber soles and heels; leather cuts for boots, shoes, slippers and sandals, etc.; leather shoes, boots, slippers, sandals, etc., with parts in natural pelt; fine leather shoes for women; ordinary lumber furniture, blinds, etc., and parts thereof, folding beds, etc., church seats without looking glass, gilding, sculpture, marquetry or upholstering; blankets, bedspreads, etc.; trunks, valises and grips with wooden mounting lined with cotton fabric or imitation leather; wearing clothes of cotton linen, hemp and similar materials; woollen clothes; artificial silk clothes; ready-made clothing, overcoats, etc., of fur or adorned with fur; rugs, carpets and blankets of fur; woollen felt hats, linen hats, etc., without trimmings; hats of other materials; bed mattresses such as those known as "Beautyrest"; iron and steel chairs and furniture; iron sheets, perforated or not, for the manufacture of beds; theatre seats, with seat and back of imitation leather made of rubber; iron and steel refrigerators and ice boxes, galvanized, tinned, bronzed, varnished, painted, enamelled, whether or not they require electrical current; wooden matches; leaf tobacco and cut tobacco.

*Commodities in Class 4.*—Pearl barley; spirituous liquors (brandies and whiskies); table oilcloths; blankets in pieces already cut, with or without fringes; cement with the exception of white and coloured cement; perfumed alcohols generally called "water", such as "Florida", "Kananga" and "Genoa"; fancy articles and notions, jewels of ordinary metals, not specified in other parts of the tariff, for uses neither professional nor industrial.

Only after the arrival of the goods at a Colombian port and after they have been cleared through the customs can an application be made by the importer for the necessary foreign exchange to pay for the goods. In the case of commodities listed in Class 1, payment is available almost immediately, or within a few days in cases where the importer is located at an interior point (any delay being due to the time necessary in postal service).



As stated above, any surplus exchange which is available after satisfying all the requirements for imports listed under Class 1 is then used in the release of permits for imports listed under Class 2 and thereafter for Classes 3 and 4.

In order to assist in clearing up remittances pending, a "stabilization fund" was created to provide the exchange for those imports of United States and Canadian origin, and liquors from any source, not coming within the preferred category of Class 1. Four classes were established in this connection, the imports classified according to national necessity and rates fixed according to the class, as follows: Class 1, 175 Colombian pesos per U.S.\$100; Class 2, 179.50 pesos per U.S.\$100; Class 3, 187 pesos, and Class 4, 195 pesos per U.S.\$100.

If remittances for imports from Canada are not liquidated through the medium of the stabilization fund at the above rates, the delay in receiving payment will run into many months; but payment can be effected through this medium, judging from experience so far, within a maximum of three to four months, exchange applications approved by the Control Board in August and September having been taken care of already.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 27, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 27, 1941, and for the week ending Monday, January 20, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 20	Nominal Quotations in Montreal Week ending Jan. 27	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Yugoslavia . . . . .	Dinar	.0176	.0249	.0248	5
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2647	.2647	3½
Switzerland . . . . .	Franc	.1930	.2576	.....	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2276	.2279	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2614	.2622	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6348	.6325	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4382	.4386	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0591	.0597	—
Hongkong . . . . .	Dollar	.....	.2622	.2640	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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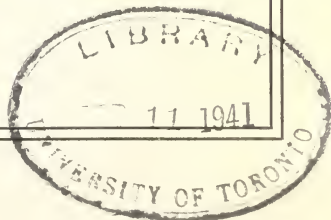


Shipment of Christmas Trees from Canada being unloaded  
at New York City last December

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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## ECONOMIC CONDITIONS IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN  
THE UNITED KINGDOM

London, January 11, 1941.—The acceleration of the war effort and the wider mobilization of all productive facilities for the output of armament and other war material continues to modify profoundly the whole trade structure. Air raids and difficulties of communication have from time to time checked the growth of the volume of production, but not to the extent that might have been anticipated. The further reduction of civilian consumption and the greater utilization of labour and capital equipment for war production has had a far-reaching effect on habits of life and business.

The principle of rationing foodstuffs has been extended, and the control of essential raw materials, shipping, foreign exchange and exports and imports has been strengthened. Unemployment showed a noteworthy decrease in December, although the problem is giving rise to some apprehension regarding workers and business organizations not engaged in production related to the war effort. Interim taxation measures have been taken to check the rise in prices and the fall in the purchasing power of currency, due to the reduction in the volume of goods available for consumption, but no general policy covering the whole economic field and related to the mobilization or control of the country's financial resources has yet been adopted.

### EXPORT AND IMPORT POLICY

Under government aegis, plans are in operation for the diversion of goods from home consumption to the export market, and the various controls have developed the policy of feeding manufacturing for export orders with as large a share of raw materials as the paramount demands of war industries permit. In the maintenance and development of export trade nearly 300 manufacturing groups are functioning under the guidance of the Export Council. Most of the European continental markets have disappeared, but notwithstanding this the exports of manufactured goods in many lines exceeded those in 1939. The chief object of the present export policy is to secure foreign exchange with which to pay for imports and, as long as the present dollar payment situation continues, it is desirable to export to countries with dollar currencies or currencies readily exchangeable into dollars.

The wider application of the licensing of imports has further reduced their flow. In order to "animate and regulate the whole business of importation in accordance with the policy of the War Cabinet", the Prime Minister has announced the formation of an Import Executive consisting of the five ministers whose departments are the chief importers, namely, the Ministers of Supply, Food and Aircraft Production, the First Lord of the Admiralty and the President of the Board of Trade.



## OVERSEAS TRADE IN 1940

The Board of Trade returns of overseas trade for November show that in the eleven months of the year the value of United Kingdom exports decreased, while the value of imports increased. Exports had a value of £388,632,000, a decrease as compared with the corresponding period the previous year of £10,055,000 or 2·5 per cent. The principal decreases in exports occurred in raw materials and coal, while exports of manufactured goods increased. Exports of food and tobacco had a value of £31,478,000 as compared with £31,864,000 in the corresponding period of the previous year; raw materials, £34,866,000 as compared with £49,815,000; coal, £24,655,000 as compared with £34,748,000; and manufactures, £315,403,000 as compared with £306,908,000, reflecting greater demands.

Imports for the period had a value of £1,025,676,000, an increase of £224,739,000 or 28·1 per cent. Imports increased in the case of food and tobacco to £395,873,000 from £357,206,000; raw materials to £319,091,000 from £218,526,000, and manufactures to £305,339,000 from £218,730,000.

In the month of November, however, both exports and imports showed a downward trend as compared with October, although the decline in exports was negligible as compared with the fall in imports. The value of exports in November was £21,666,000 as compared with £23,391,000 in October, or some £10,000,000 below the average for the July-September period. The imports (valued on a c.i.f. basis) fell by £12,000,000 in November as compared with October, nearly one half the decrease occurring in imports of foodstuffs such as meat, grain, flour, and dairy products. The decrease may reflect either the limitation of non-essential imports or the intensification of enemy attacks on shipping.

For the eleven months ending November the excess of imports over exports was £611,500,000, the corresponding figures for both 1938 and 1939 being approximately £358,000,000. The fall in the value of both exports and imports in the month of November resulted in an excess of imports over exports of £50,541,000, the lowest in any month of the year except September.

## MARKET FOR CANADIAN PRODUCTS

Apart from munitions, war supplies and essential raw materials, importations from Canada have been further limited by successive prohibitions or licensing requirements with a view to conserving exchange and shipping space. In the case of foodstuffs, only products regarded as essential are now admitted. In connection with the purchase of foodstuffs, the Minister of Food has explained that the primary object of the Ministry's policy is to ensure for the United Kingdom a sufficiency of food, either from overseas or through home production. The Ministry is now the sole importer of the bulk of the food supplies that come into the United Kingdom.

In November the Ministry of Food concluded arrangements for the supply of various important foodstuffs from Canada in addition to wheat for the period of the second year of the war to be purchased directly by the Ministry or covered by import licences. The products include bacon, cheese, pork offals, condensed milk, canned salmon and other canned fish, frozen cod, canned apples, dried apples, fruit pulp, fruit pectin and pomace, and honey. This program is indicative of the importance of Canada as a source of the United Kingdom's supply of essential food products. Canada is now the chief source of imported bacon supplies and will play a greater part in meeting the cheese requirements.

The new purchase tax, similar in many respects to the Canadian sales tax, does not directly affect Canadian goods shipped to the United Kingdom, although in certain circumstances the tax is chargeable at the time of importation.

Canadian exporters who maintain branches or agents in the United Kingdom may, however, be required to register as taxable undertakings. For further details of the purchase tax, reference should be made to a report on the subject published in *Commercial Intelligence Journal* No. 1918 (November 2, 1940), page 602.

#### LIMITATION OF HOME TRADE

A Limitation of Supplies Order has restricted the sale in the domestic market of a wide range of commodities. This restricts supplies to retailers by manufacturers and wholesalers of a wide range of goods, including hosiery, pottery, glassware, cutlery, hollow-ware, cameras and accessories, musical instruments, sports goods, toys, toilet articles, and certain electric labour-saving devices. The restriction, effective from December 1 to May 31, 1941, limits sales generally to 25 per cent of the value supplied in the previous corresponding period, although in the case of a number of commodities the permitted percentage is 50 or 33 $\frac{1}{3}$ . The main purpose of the order is to liberate labour, materials and productive capacity for essential war purposes and exports and to conserve stocks so that the effort which would be necessary for their replacement may be released for war production.

#### FINANCIAL SITUATION

Following an earlier budget in April, the Chancellor of the Exchequer presented a supplementary budget in July, when he announced that the average weekly expenditure on the war had risen to £50,000,000 and that for the four weeks ended July 20, 1940, it was £57,000,000. At this rate he estimated the cost of the war in 1940 would be about £2,800,000,000. A total of all the expenditures was then estimated at £3,467,000,000, representing an excess over the revenue estimates of about £2,200,000,000. The gap between revenue and expenditure has called for increased taxation and additional savings.

Deposits receipt borrowing by the Government from the banks in 1940 amounted to some £300,000,000. There was an increase in investments between November, 1939, and November, 1940, of £132,000,000, the bulk of which is believed to have represented applications by the banks for national war bonds. On the basis of the November returns, the year's increase in deposits has been about 15 per cent as compared with an increase of 9 per cent in 1915, the first calendar year of the last war—an indication of the vigour of the country's financial capacity.

Measures have been taken by the Government to limit the use of free sterling as an international medium of exchange, and regulations now effective result for practical purposes in the elimination of the "free" sterling market. The main feature of the regulations is an arrangement, made with the co-operation of United States banks, for a system of "registered accounts," through which payments in sterling can be made from residents in a sterling area to residents in the United States for transfer at the official rate and vice versa. Free sterling is no longer directly convertible into United States dollars, because no free sterling can be credited to United States accounts except from other United States accounts. The free market in the United States will pass out of use as soon as present holdings are cleared up, and all transactions between the United States dollar area and the sterling area will then be conducted on the basis of one stable rate of exchange which will be the official rate quoted in London and New York.

In 1940 stock exchange values as a whole recovered over 90 per cent of the losses experienced in 1939, according to the usual study of the course of prices of 365 representative securities prepared by the *Bankers Magazine*. At

the beginning of 1939 the securities had a total market value of £6,243,000,000; by the end of that year their value had depreciated by over £200,000,000, but £186,000,000 of this loss was regained in 1940. Fixed interest securities rose on balance by  $7\frac{1}{2}$  per cent; equity stocks declined by rather more than 7 per cent.

Business failures in 1940 showed a substantial reduction. According to *Stubbs Weekly Gazette*, there were 2,983 failures during the year as compared with 4,648 in 1939 and 5,448 in 1938. This is the eighth year in succession that a reduction has been reported.

#### COST OF LIVING AND PRICES

Commodity prices and the cost of living in the United Kingdom are steadily rising. The Ministry of Labour and National Service announced that on December 30, 1940, the official cost of living figure was 95 points above the level of July, 1914, as compared with 92 points at November 1, 1940. For food alone the index figure at November 30, 1940, was 73 points above the level of July, 1914, or one point above the figure for November 1. Among items other than food there were increases averaging about 5 per cent in the prices of clothing and, in many districts, of coal. Since October 21, 1940, when the purchase tax became effective, resulting increases in prices have raised the cost of living figure by between  $1\frac{1}{2}$  and 2 points. At the outbreak of the war the index figure was 155, and the rise to 195 is equal to nearly 26 per cent.

The average level of wholesale prices of commodities at the close of December, 1940, as measured by the *Times* index number, was 1·3 per cent higher than at the end of November, 1940, and 15·9 per cent above the figure for the previous year. The index for all commodities at December 30, 1940, was 165·2 (1913=100) as against 163 on November 29, 1940, and 142·5 on December 30, 1939.

#### UNEMPLOYMENT

On December 9 the registered unemployed men numbered 350,875, of whom 82,435 were temporarily stopped and 20,372 were men normally in casual employment. An inquiry by the Ministry of Labour and National Service showed that about 29,000 of the men were "not suitable for ordinary employment." The number of "wholly unemployed" men fell to 248,068. There were 299,194 unemployed women, of whom 53,952 were temporarily stopped and 1,076 were women normally in casual employment. The remainder of the unemployed were boys and girls. The total of 705,279 was 85,901 fewer than in November and the lowest total since 1921, since when the number of the insurable population has greatly increased. Having made an inquiry into the employment of all men who have been on the register for a month or more, the Ministry has decided to extend the inquiry to women.

#### AGRICULTURAL POLICY

The Minister of Agriculture announced in the House of Commons in November the Government's decision that a further increase in home food production was vital. The Government, he said, would guarantee that the present system of fixed prices and an assured market would be maintained during the war and for at least one year afterwards. Prices would be subject to adjustment to the extent of any substantial changes in cost of production. The Minister said the Government recognized the importance of maintaining after the war a healthy and well-balanced agriculture as an essential and permanent feature of national policy and believed that the safeguards afforded by the guarantee would enable farmers to undertake at once the further considerable expansion of production now required.



(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of December, 1940				Twelve Months ending December, 1940			
	Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States	
	\$	\$	\$		\$	\$	\$	
<i>Imports for Consumption</i>								
Agricultural and Vegetable Products.....	13,833,411	850,316	4,508,716		157,249,595	8,661,993	56,839,417	
Animals and Animal Products.....	2,446,818	288,792	1,505,979		35,365,835	3,757,192	21,002,085	
Fibres, Textiles and Textile Products.....	11,196,255	4,416,034	4,653,343		147,328,745	53,846,418	62,724,434	
Wood, Wood Products and Paper.....	3,045,030	164,313	2,786,201		38,100,146	2,612,346	33,808,878	
Iron and its Products.....	29,289,750	1,834,632	27,094,541		298,902,743	21,791,014	273,253,290	
Non-Ferrous Metals and their Products.....	7,774,844	1,448,669	4,627,994		71,143,931	12,293,301	44,825,311	
Non-Metallic Minerals and their Products.....	12,558,706	1,625,552	9,505,138		161,198,044	18,219,844	125,108,024	
Chemicals and Allied Products.....	4,101,555	512,829	3,498,079		51,824,059	7,545,841	41,493,038	
Miscellaneous Commodities.....	18,056,077	7,070,851	10,819,292		120,837,621	32,518,403	85,176,101	
Totals, 1940.....	102,302,476	18,212,038	69,029,253		1,081,950,719	161,216,352	744,231,156	
1939.....	72,109,338	8,458,573	49,101,812		751,055,534	114,007,409	496,838,466	
1938.....	44,285,986	7,032,923	29,187,819		677,451,354	119,292,430	424,730,567	
<i>Exports (Canadian Produce)</i>								
Agricultural and Vegetable Products.....	15,491,907	4,630,925	8,414,989		218,293,811	120,985,065	64,491,694	
Animals and Animal Products.....	12,717,095	4,773,454	6,232,311		154,723,794	102,549,127	48,712,943	
Fibres, Textiles and Textile Products.....	1,993,346	224,192	146,148		21,571,023	6,104,839	2,915,617	
Wood, Wood Products and Paper.....	28,303,293	6,131,237	18,073,603		338,006,396	83,122,354	214,751,246	
Iron and its Products.....	16,887,924	6,202,650	5,044,352		127,666,846	53,432,765	5,963,660	
Non-Ferrous Metals and their Products.....	14,047,220	6,068,332	7,041,436		194,711,984	101,646,363	67,473,805	
Non-Metallic Minerals and their Products.....	2,731,347	283,584	1,871,316		33,754,096	6,341,221	19,285,210	
Chemicals and Allied Products.....	1,983,408	214,622	748,164		31,222,806	8,342,652	10,846,592	
Miscellaneous Commodities.....	3,445,447	2,416,744	669,386		39,033,664	25,571,262	8,543,390	
Totals, 1940.....	97,620,927	30,945,740	43,791,705		1,178,954,420	508,095,949	442,084,157	
1939.....	101,021,522	29,317,085	53,996,114		924,926,104	328,099,242	380,392,047	
1938.....	68,887,665	25,534,707	24,736,460		837,583,917	339,688,685	270,401,189	
<i>Exports (Foreign Produce)</i>								
Totals, 1940.....	1,089,733	132,109	858,124		14,293,172	4,221,479	8,959,511	
1939.....	951,206	47,769	838,904		10,965,609	787,193	9,361,551	
1938.....	975,271	59,443	796,842		11,100,216	1,735,690	8,296,737	
<i>Excess of Imports (i) or all Exports (e)</i>								
Totals, 1940.....	(i) 3,501,816	(e) 12,865,811	(e) 24,379,424		(e) 111,266,873	(e) 351,101,076	(e) 292,287,488	
1939.....	(e) 29,863,390	(e) 20,905,281	(e) 5,733,296		(e) 184,896,179	(e) 214,879,026	(e) 107,144,858	
1938.....	(e) 25,576,950	(e) 18,561,287	(e) 3,654,517		(e) 171,232,779	(e) 222,131,945	(e) 145,972,641	

## AUSTRALIA'S WAR BUDGET

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(One Australian pound equals approximately \$3.55 Canadian)

Sydney, December 10, 1940.—The Commonwealth Treasurer introduced on November 28 Australia's first wartime budget, involving estimated expenditures of £A276,000,000 (approximately \$979,800,000 Canadian). This figure compares with £A150,000,000 in the budget introduced in September, 1939, in which, for the first time in the history of the Commonwealth, the expenditure exceeded £A100,000,000. The 1939 budget had been prepared in peacetime, and was therefore considered to be only a partial wartime budget with relatively light taxation.

The latest budget, however, is designed to meet the impact of a rapidly increasing war expenditure, which will involve the diversion of at least 20 per cent of Australia's resources to wartime requirements. The Commonwealth Treasurer, in his budget speech, pointed out that the financial year ended June 30, 1940, was necessarily one of preparation for greater wartime expenditure and concentration on wartime production, and during that period actual expenditure from the 1939 budget amounted to £A24,283,000, with additional expenditure of £A28,814,000 from the Loan Fund and £A2,017,000 from the Trust Fund, bringing the total expenditure on defence and war services up to £A55,114,000. Of this amount £A45,229,000 was expended in Australia and £A9,885,000 overseas.

### INTERNAL LOANS

The Commonwealth Treasurer stated that during 1939-40 two public loans were raised in the Australian market. The first, in March, 1940, was for £A18,000,000, and was issued at par with interest at  $3\frac{3}{8}$  per cent per annum for five years or  $3\frac{5}{8}$  per cent per annum for 10 to 16 years. Approximately £A8,000,000 of this loan was for defence purposes, the remainder being for the ordinary loan programs of the Commonwealth and the States. The second loan was solely for war purposes. Raised in May, 1940, it amounted to £A20,000,000 and was issued at par with interest at  $2\frac{3}{4}$  per cent per annum for five years or  $3\frac{1}{4}$  per cent per annum for 10 to 16 years. Both loans were fully subscribed.

In addition, a special loan of £A12,000,000 was provided in December, 1939, by the Commonwealth Bank in conjunction with the Australian trading banks. Of this special loan, £A2,000,000 was for defence works of low priority and the balance for works and other purposes of the Commonwealth and the States.

In March, 1940, war savings certificates with a term of seven years were made available to the public. The face value of certificates sold to June 30, 1940, amounted to £A7,636,000 and sales since then have brought the total to over the £A15,000,000 mark. The response of the public has been considered very gratifying, particularly through war savings groups, a method being utilized in factories, shops and offices. The Commonwealth Treasurer also emphasized the benefits derived from this system in increased security to the small subscriber during the post-war period.

### INTEREST-FREE LOANS AND GIFTS

Up to June 30, 1940, the Australian public made available to the Commonwealth Government for war purposes the sum of £A3,864,000, which amount has since increased to £A5,100,000. This sum is given free of interest, repayable at varying dates after the conclusion of hostilities.

## DEBT REDEMPTION

During the financial year ended June, 1940, £A11,041,000 was provided out of sinking funds for redemption of the public debt, of which £A4,934,000 was for the Commonwealth account and £A6,107,000 for the States. In the present financial year receipts of the sinking fund will amount to £A13,000,000, of which £A6,200,000 will be payable to the Commonwealth sinking fund and £A6,800,000 to State sinking funds.

The aggregate public debt of the Commonwealth and the States at the end of June, 1940, was: Commonwealth, £stg.435,327,000; States, £stg.905,727,000; total, £stg.1,341,054,000. These figures represent the following increases over the debt at the end of June, 1939: Commonwealth, £stg.38,076,000; States, £stg.7,955,000; total, £stg.46,031,000. The Treasurer emphasized that practically the whole of this increase in the Commonwealth's debt is due to wartime expenditure.

## ECONOMIC CONDITIONS IN THE FISCAL YEAR

The Commonwealth Treasurer preceded his introduction of the new budget with a review of certain economic factors prevailing at the outbreak of war. He pointed out that low export prices and the decline of private investment in Australia had brought about a recession, which was reflected in some increase in unemployment and a declining liquidity of the trading banks. Prompt action by the Commonwealth Bank, plus economic and financial measures designed to stimulate economic activity, reacted favourably on the level of employment and the national income. During the transition period from peacetime to wartime economy, severe increases in taxation were avoided, while machinery was set up to enforce restrictions on imports and private investment as an integral part of the general Commonwealth policy to divert resources from peacetime to wartime uses. Since the commencement of hostilities, civil employment had shown an increase of approximately 80,000, or roughly 4 per cent of the working population, despite the enlistment in the various Commonwealth forces of more than 150,000 men from wage- and salary-earning groups.

This increased employment, together with improved prices for export products as a result of the various contracts concluded with the United Kingdom Government, contributed towards raising the national income from £A788,000,000 in 1938-39 to £A863,000,000 in 1939-40, an increase of more than 9 per cent. In addition, the Commonwealth Government's policy had been continually directed towards low interest rates. Since the war, yields on government securities have fallen on the average by one per cent, while rates on treasury bills, bank deposits, and overdrafts, have been reduced.

The introduction of price control had been particularly successful to date in Australia, and had effectually checked profiteering in the majority of commodities. The Treasurer pointed out that, despite the substantial rise in the cost of all imported goods and an increase of 25 per cent in export prices, the "all-items" index of retail prices in Australia had risen by less than 5 per cent since the commencement of hostilities. He also indicated that the general economic position of Australia at the beginning of the 1940-41 financial year was definitely more satisfactory than at the commencement of hostilities, and that, although drought conditions have adversely affected prospects where certain primary exports are concerned, export income figures comparable with those of 1939-40 are expected.

## ESTIMATED REVENUE FOR 1940-41

On the basis of taxation in operation in 1939-40, total revenue for 1940-41 is expected to be in the vicinity of £A105,000,000. This estimate allows for a



substantial fall in customs revenue in view of the fact that imports for the last year were abnormally high in anticipation of difficulties of future supplies and that the full effect of the licensing restrictions on imports from non-sterling countries was not felt until after the year had closed. The customs and excise estimate is £A48,800,000 as compared with last year's £A53,800,000; income tax is estimated to yield £A20,750,000, an increase of about £A4,000,000 over last year; sales tax is put at £A17,000,000, an increase of approximately £A5,000,000. For land tax also there is an estimated increase of £A1,500,000.

In anticipation of the budget of 1940-41, Parliament approved in May last additional taxation for war purposes, estimated to produce an increased revenue this year of about £A14,000,000. The estimated revenue for 1940-41, on the basis of taxation *now* in force, is therefore £A119,000,000. Details are given hereunder:—

	Estimates 1940-41	Inc. or Dec. over 1939-40
	Australian Pounds	
Customs and excise . . . . .	48,800,000	— 5,024,906
Sales tax . . . . .	17,000,000	+ 4,803,825
Flour tax . . . . .	1,525,000	— 961,070
Income tax . . . . .	20,750,000	+ 4,319,687
Land tax . . . . .	3,150,000	+ 1,504,171
Estate duty . . . . .	2,600,000	+ 387,310
Gold tax . . . . .	1,400,000	+ 185,379
Miscellaneous . . . . .	4,255,000	+ 1,252,373
Business undertakings (post office and railways)	19,090,000	+ 604,859
Territories . . . . .	430,000	+ 14,588
Total . . . . .	119,000,000	+ 7,086,216

### IMPORT LICENSING

The Commonwealth Treasurer made special reference to the effect on customs revenue of restrictions through import licensing. The licensing of imports from non-sterling countries (which include Canada) was introduced in December, 1939, but because of the large volume of goods on order, initial restrictions did not become fully effective for some time. Additional restrictions have been imposed from time to time, and the cumulative effect of those announced up to October 1, 1940, prohibited goods which during 1938-39 were imported to the value of £A11,000,000. In addition, imports of newsprint, petrol and raw silk are indirectly reduced by rationing schemes applied to those commodities.

The issue of licences for goods not specifically prohibited is, in general, limited to 100 per cent of the value of imports during 1938-39. Since prices have risen sharply, chiefly due to heavy overseas freight rates, this means a reduction in the actual volume of imports concerned. Thus imports from non-sterling countries have been substantially curtailed, resulting in a marked saving of non-sterling exchange for use in the purchase of essential war items from non-sterling countries.

### ESTIMATED EXPENDITURE FOR OTHER THAN DEFENCE AND WAR SERVICES

Invalid and old-age pensions are expected to cost £A17,100,000 during 1940-41 as compared with £A16,459,000 in the previous year. This increase is rather less than normal, reflecting the improvement in employment and incomes during the past year.

An additional £A90,000 is to be spent on the work of the Council for Scientific and Industrial Research, including the establishment of a National Standards Laboratory and a Chair of Aeronautical Research—a direct assistance to new and essential war industries.

On public works of a civil character it is proposed to spend £A5,596,000 as compared with £A4,976,000 in 1939-40. Civil aviation expenditure for 1940-41 is expected to amount to £A763,000 as compared with £A339,000.

Of Australia's war expenditure the sum of £A21,000,000 will be allotted for defence works, to be constructed in co-operation with the various state governments. This co-operation is part of a general plan to co-ordinate defence and state civil works programs in order to secure a maximum allocation of resources to war purposes and at the same time to maintain and improve the employment position in all the states. This co-ordination plan was instituted by the Loan Council, which appointed the Co-ordinator-General of Works to collaborate with officers in each state.

### WAR EXPENDITURE

The estimated war expenditure for 1940-41 is £A143,000,000 in Australia and £A43,000,000 overseas, making a total of £A186,000,000. In connection with this great increase in wartime expenditure, the Commonwealth Treasurer showed that monthly requirements had risen from £A6,000,000 in May, 1940, to £A11,200,000 in October, and are expected to reach £A15,000,000 per month before June, 1941.

### WAR FINANCE PROPOSALS

The Commonwealth Government's proposals for financing war expenditure in Australia may be summarized as follows: Estimated expenditure, £A143,000,000; cash balance at commencement of present financial year, £A28,000,000; estimate of loans, including war savings certificates, £A50,000,000; budget on basis of present taxation (including taxation approved last May), £A34,000,000; total estimated revenue for war purposes, £A112,000,000; amount still to be provided, £A31,000,000.

This balance of £A31,000,000 required for the remaining seven months of the present financial year will be obtained largely through individual income taxation. The Commonwealth Treasurer has stated that taxation upon necessities will be avoided as far as possible, and that the additional taxation would be allocated as follows: income tax, individuals, £A17,700,000; income tax, companies, £A5,800,000; sales tax, £A3,400,000; customs and excise, £A4,200,000; total, £A31,100,000.

### INDIVIDUAL INCOME TAXATION

Hitherto the Commonwealth income tax has applied predominantly to higher incomes, in which direction state taxation is also heavy. It is now proposed to tax incomes below the present £400 minimum, which embraces 70 per cent of the total personal incomes in Australia. Assessments under the scale of taxation now proposed are estimated to yield £33,000,000 in a full year, distribution of the sum being as follows:—

	Total Income	Tax Assessment
Higher incomes (over £1,000) . . . . .	£ 85,000,000	£20,000,000
Middle incomes (£400-£1,000) . . . . .	143,000,000	8,000,000
Lower incomes (under £400) . . . . .	517,000,000	5,000,000
Total . . . . .	£745,000,000	£33,000,000

The statutory exemption has now been reduced from £250 per annum to £200.

### COMPANY TAXATION

Proposals under this heading provide for increased taxation on companies by means of (a) a wartime company tax; and (b) a tax on undistributed profits. The Commonwealth Government has decided to make a special wartime levy

on the profits of companies, this levy to be graduated according to the percentage of profits in relation to capital employed. It is estimated that additional taxation obtained by this method will amount to £A4,250,000 in the current year and £A5,300,000 in a full year.

The proposed increase in taxation of individual incomes requires as its complement some increased taxation of undistributed company profits. A tax on undistributed profits was enacted in May, 1940, at the rate of one shilling in the pound, assessed on taxable income after the allowance of special deductions, dividends distributed, and a general exemption of 25 per cent of distributable income. It is now proposed to withdraw the exemption of 25 per cent and to increase the rate of tax from one shilling to two shillings in the pound. The estimated yield from the proposed tax in this financial year will be £A2,000,000, an increase of £A1,550,000. The withdrawal of the exemption will apply to public companies only. Private companies will not be affected by this additional impost, but will be subjected to the higher rates of tax imposed on individuals whenever a sufficient distribution of the profits does not take place.

These additions will bring total Australian company taxation to a very high figure. Total Commonwealth, State and overseas taxation of companies will amount to approximately £A32,000,000 on an estimated income of £93,000,000, or 6s. 8d. in the pound, while dividends will be taxed without rebate in the incomes of shareholders.

#### SALES TAX

The field of goods subject to sales tax has been greatly extended under the new Australian budget by the classification of various items into three sections, according to the urgency of the needs they satisfy. It is proposed to levy rates of 5, 10 and 15 per cent on these three sections. This additional levy is designed to raise a further £A3,400,000, or a full-year total of £A20,400,000.

This classification will bring back into the taxable field goods, at present exempt, of an estimated value of £A47,000,000. These goods will, with one exception, bear tax at the relatively low rate of 5 per cent; the exception, which includes goods of an estimated value of £A4,000,000, will bear tax at the general rate of 10 per cent. The estimated additional yield for 1940-41 in this section is £A1,300,000. In the second section, a field of an estimated value of £A181,000,000, the general rate is increased from 8½ to 10 per cent, bringing an estimated additional yield for 1940-41 of £A1,500,000. In the third the rate of tax is raised to 15 per cent on goods of an estimated value of £A21,000,000, which satisfy less urgent needs, producing an estimated additional yield for 1940-41 of £A600,000.

#### TAXATION OUTLOOK

The Commonwealth Treasurer, in concluding his budget speech, emphasized that every effort would be made to preserve the value of money and to resist any inflationary rise in prices. At present cash reserves and deposits in trading banks are being maintained at high levels, unemployment figures are well below normal, and civil consumption in most cases is above peacetime levels. It is therefore expected that war loans will continue to meet any unexpected outlays that may be called for in the near future. At the same time he warned the people of Australia that this apparently heavy taxation would, in the event of prolonged hostilities, necessarily be an increasing burden, although everything would be done to further encourage voluntary loans to the Government



—particularly through war savings certificates—in an endeavour to ease the strain of taxation on the individual. Nevertheless, he pointed out, there would be no cash balance to be carried forward at the end of the next financial year, as there was on July 1, 1940. Accordingly that additional £A28,000,000, plus probable increased expenditures on defence and similar measures during the next financial year, would have to be bridged principally by additional taxation.

AUSTRALIAN TRADE AND ECONOMIC NOTES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

NEW PALESTINE-AUSTRALIA AIR SERVICE

Sydney, December 5, 1940.—Under arrangements completed between the Dutch airlines and the Australian Government, a six-day air link has been established between Australia and Palestine. Inaugurating the new schedule, a Douglas airliner left Palestine on October 31 and Batavia on November 3, arriving in Sydney on November 6. The flight of 2,225 miles from Darwin to Sydney is made in one day. To minimize possible danger in the Palestine zone, the Dutch planes will leave on the return trip to Sydney within an hour of their arrivals.

This service provides an additional valuable air link between the Near East and Canada, in view of the excellent connections now available via the clipper service from San Francisco to Auckland and thence by Qantas Airways to Sydney.

INCREASE IN CUSTOMS AND EXCISE REVENUE

Despite the increasing severity of import restrictions on goods from non-sterling countries, Commonwealth customs and excise revenue was £60,620 higher in the first four months of the present fiscal year than in the same period last year. This was entirely the result of an increase of £272,439 in October collections over those of October last year. For the four months, revenue from customs and excise amounted to £17,382,927 as compared with £17,322,307 for the first four months of 1939-40, collections for November being £4,328,392.

While the increase is due partly to higher excise duties in force than at the same period last year, an increasing flow of British goods to replace non-sterling commodities regulated by import control and conditioned by the closing of European markets has been largely responsible.

Australia's overseas trade in October showed an increase of 30·8 per cent in imports as against an increase of 7·6 per cent in exports. The unfavourable merchandise balance for the first four months of this year was £5,819,000 (sterling) as compared with £4,373,000 for the same period last year. Merchandise movements in the first four months as compared with the corresponding period of last year were:—

	1939-40	1940-41
Exports . . . . .	£27,342,000	£34,067,000
Imports . . . . .	32,215,000	39,886,000
Import excess . . . . .	4,373,000	5,819,000

As a wartime measure, movements of bullion and specie are not disclosed.

PRODUCTION OF UNSHRINKABLE WOOL

As a definite step towards the production of cheap unshrinkable wool in Australia to meet the greatly increased demands of the army, navy and air force, the Australian Council for Scientific and Industrial Research has arranged for the importation into Australia of a Torridon chlorine plant. At present

no underwear or hosiery of unshrinkable wool is being supplied to the defence forces, although in Britain it is not permissible to supply any other sort of woollen wear for defence needs.

It is claimed that the Torridon process reduces the shrinkability of wool to a point where a garment may be washed 100 times without losing shape or size. It is further announced that the necessary additional plant for the production of unshrinkable wool could be made in Australia as soon as tests are completed with the chlorine plant.

It is further stated by the Council that in the last twelve months the number of mills using the process in Britain had increased by 50 per cent, and its introduction into Australia would be applied commercially on a large scale in the future.

#### OPTICAL GLASS: NEW AUSTRALIAN INDUSTRY

The Australian Ministry of Munitions has approved of the establishment of a new Australian industry for the manufacture of optical glass. The establishment of this industry, designed to supply nearly £1,000,000 worth of optical glass products, primarily for military purposes, will be carried out by Australian Consolidated Industries Limited. When at full production early in 1941, it will be in a position to supply the Australian navy, army and air force with all optical glass required for such precision instruments as artillery range-finders, anti-aircraft gun predictors, telescopes and binoculars.

This type of optical glass has not previously been made in Australia, although extensive modern equipment exists in New South Wales for the manufacture of sheet glass and ornamental and cut glass. The necessary skilled operators will be available from this industry.

This development follows from the difficulty experienced in obtaining from overseas the essential supplies of optical glass required for the rapid development of the Commonwealth's gun manufacturing program.

#### AUSTRALIA'S WAR COSTS

Australia's defence and war expenditure has now risen to more than £153,000,000 per annum—about £98,000,000 more than was spent in the whole of last year on these services.

Total defence and war expenditure this year has been officially estimated at approximately £180,000,000. Treasury figures just released show that £12,806,000 was spent from revenue and loan in October on war and defence services. Of this amount, £11,105,000 was from loan funds.

For the four months ending October 31 Australia spent £41,951,000 on defence and war, made up of £36,402,000 from loan funds and £5,549,000 from revenue. Collections in the four months amounted to £34,009,000 and expenditure was £34,318,000. For October the deficiency was £635,000, revenue being £8,524,000 and expenditure £9,159,000.

#### TERMS OF AUSTRALIA'S SECOND WAR LOAN

The terms and conditions of the £28,000,000 internal loan, which opened on November 28 last, have been announced. It will be issued at par, with subscribers having the option of making short- or long-term investments. The long-term stock will mature in from ten to sixteen years, bearing interest at  $3\frac{1}{4}$  per cent, and the short-term section of the loan will yield  $2\frac{3}{4}$  per cent, maturing in five years.

Interest earnings from the loan will be free of state taxation and all new federal taxation after flotation. The Federal Government will retain £20,000,000

for war purposes, and £8,000,000 will be allocated for state works programs. It is anticipated that a further loan for £25,000,000 will be placed before the Australian public in February or March, the remainder of states' works requirements to be advanced from this loan.

#### FEDERAL RESTRICTIONS ON BUILDINGS COSTING OVER £5,000

From December 5 the Australian Government will not permit the erection of new buildings costing more than £5,000, unless the consent of the Federal Treasurer has first been obtained.

That is the main provision of the building control regulations issued under the National Security Act. This Act also governs alterations costing more than £5,000 to existing buildings. The Federal Treasurer stated that this control of the more expensive type of building was one of a series of measures to co-ordinate demands on the investment market and the physical resources of Australia. He also said that investigation has shown that a curtailment of non-essential and expensive building is needed, not only to encourage priority spending and thus assist war finances, but also to help in the conservation of certain war materials such as copper and steel, which are in urgent demand both for munitions and Empire effort generally.

It is emphasized that the employment position in the building and allied trades would receive every consideration, but that the defence program envisages considerably enlarged expenditure on defence works in 1941, and such reduction of building required under the regulations would be gradual and adjusted to employment demands.

#### COMPENSATION FOR WAR LOSSES IN AUSTRALIA

A conference of departmental experts and actuaries was recently held at the Federal Capital of Canberra at which a scheme for legislation in Australia was discussed to provide compensation for death, loss or injury resulting from hostile action. The scheme is believed to follow closely upon recently enacted British law and provides for compensation under two classifications: persons gainfully employed and civil defence volunteers.

An important feature of the tentative proposals is that all compensation will be paid from the public funds, the Federal Government assuming responsibility. Persons benefiting from other forms of insurance would not be entitled to compensation or disablement allowances under the scheme.

The type of injuries covered, it is understood, would be those caused by missiles, liquids, gases, explosives, falling bombs, enemy action, or action against the enemy or falling aircraft.

#### AUSTRALIAN PRODUCTION OF WAR MACHINE TOOLS

Australia within twelve months has developed a machine-tool industry that has recently made, or has on order, 3,300 machines and tools valued at £2,000,000. At the outbreak of war there was in Australia only one manufacturer of lathes and two manufacturers of power presses; now there are 28 firms engaged in producing high-grade machines, among recent achievements being the production of power presses with capacities of between 700 and 3,000 tons.

In addition Australia is now producing engine lathes capable of turning 30-foot lengths of 24 inches diameter; gun lathes for turning, boring and riveting, up to 20 feet in length; capstan and turret lathes in various lengths; and various types of shell lathes up to 6-inch shell capacity.

Present plans envisage the production of essential types of drilling, milling and shaping machines, as well as grinding machines and specialized machine tools.



### EXPORT BAN ON SCRAP IRON

Effective December 1, Australian export of scrap steel and iron is prohibited to all countries outside the British Empire. It is pointed out that the rapid expansion of war industries has led to increasing demand in Australia, while the pressure of overseas buying of scrap metal on the Australian market has resulted in an upward trend in prices directly reflected in the cost of Australia's defence requirements.

### AUSTRALIAN AIR FORCE EXPANSION PROGRAM

An indication of the rapid expansion of Australia's air force is given in a statement recently issued by the Minister for Air, stating that for the current financial year the Federal Government is committed to an expenditure of £36,837,000 in connection with its air force expansion program.

Of this amount, £22,597,520 has been allocated to the development of the Empire Air Training Scheme, and £14,239,480 to Australia's air defence. The latter includes land and sea-plane equipment, stores, etc.

### AIRCRAFT PRODUCTION IN AUSTRALIA

The production of De Havilland Tiger Moths has now reached two per day in Australia, while the Commonwealth Aircraft Corporation are producing trainers of the Wirraway type at the rate of one per day, with output being stepped-up in advance of schedule to complete the full order of 811 machines now placed.

Future plans provide for the construction of several hundred elementary trainer aircraft of Australian design developed by the Commonwealth Aircraft Corporation, with deliveries commencing early in 1941 and completed about the end of the year.

The Commonwealth now has under construction the prototype model of a twin-engined bombing reconnaissance aircraft, also of Australian design, and production is now in hand covering a large range of aircraft components and equipment, including air-pattern Vickers guns, tires, tubes, and other rubber products, parachutes and safety harness, radio equipment, photographic materials, and a full range of instruments.

### AUSTRALIAN WHEAT SITUATION

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, December 16, 1940.—The final estimate of the area sown to wheat for grain in Australia for the season 1940-41 is 12,355,000 acres. This is 940,000 acres, or 7 per cent less than in the previous year and 1,820,000 acres, or 13 per cent, below the average area sown during the ten previous seasons. The production of wheat in Australia for the current season is estimated by the Commonwealth Statistician at 91,900,000 bushels. This estimate indicates a reduction of 118,000,000 bushels or 56 per cent from the previous year, and a reduction of almost 36,000,000 bushels, or 48 per cent, from the average quantity produced during the ten-year period 1939-40. The indicated yield per acre is 7.44 bushels and is the lowest return since 1919-20, when 7.16 bushels per acre was recorded.

A survey of the wheat industry by Federal officials indicated that the exportable surplus in Australia after the 1940-41 harvest will not exceed 92,000,000 bushels, including 55,000,000 bushels carried over from No. 2 wheat

pool (1939-40 harvest). Added to this carryover the Australian Wheat Board will have on hand about 147,000,000 bushels for all purposes. Home consumption will take 55,000,000 bushels, including human consumption, stock feed and seed.

A further advance of 3d. a bushel was made by the Australian Wheat Board in respect of the 1939-40 harvest, bringing average payments to growers at country sidings to 2s. 11d. per bushel bulk and 3s. 1d. per bushel bagged. Consideration will be given to the amount of the final payment when the realization from sales of all wheat in the No. 2 pool is known. In the meantime a first advance on wheat of the 1940-41 crop is being made. Rates of advance are 3s. a bushel for bagged and 2s. 10½d. a bushel for bulk wheat, both less freight amounting to approximately 4½d. per bushel.

### WHEAT PRICES

Approximate export prices f.o.r. ports during the month of October in the years 1935-40 were as follows: 1935, 43.51d.; 1936, 58.44d.; 1937, 61.06d.; 1938, 33.58d.; 1939, 32d.; 1940, 47.75d.

### DAIRY PRODUCTION IN NEW ZEALAND

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Auckland, December 11, 1940.—The substantial increase in the dairy production of New Zealand during the past season, which ended on July 31, is commented on in the Annual Report of the New Zealand Dairy Board. The output of butter increased by 9.02 per cent over the figure for the previous season, while cheese showed an advance of 14.95 per cent.

The report states that, following a bad autumn in 1939 and the consequent shortage of winter feed, cattle in most dairying districts were not in good condition for the following spring. Many herds were reduced for this reason, as well as on account of labour troubles. However, favourable weather throughout the summer and autumn of 1940, combined with a genuine effort on the part of dairy farmers in response to the national appeal for production, resulted in the substantial increases.

Butter production for the past season totalled 133,303 tons, made up of 133,124 tons of salted and 179 tons of unsalted butter. This compares with 122,272 tons in 1938-39, comprising 117,832 tons of salted and 4,440 tons of unsalted. Total production in 1937-38 was 142,835 tons.

Output of cheese totalled 93,696 tons as against 81,507 tons in the previous season and 85,470 tons in 1937-38. The swing from coloured to white is noteworthy. The past season's output was made up of 89,996 tons of white and 3,700 tons of coloured, figures for 1938-39 being 53,619 tons and 27,888 tons, respectively.

Figures quoted by the Board show the remarkable increase in production during the autumn and winter of 1940. Butter output began to show a monthly increase as compared with the previous season in January. In April production was 87 per cent higher than in April, 1939, while May showed the phenomenal increase of over 113 per cent. This fell to 95 per cent in June and 57 per cent in July.

With the exception of August, 1939, there was an increase in cheese production in every month of the season, the largest advance being 93 per cent in June.

## 1940-41 SEASON

Under the new agreement with the United Kingdom, the price of both butter and cheese is to be the same as for last season, viz:—

Creamery butter—	Per cwt.
Finest grade .....	112s. 6d.
First grade .....	111s. 3d.
Second grade .....	107s. 6d.
Cheese—	
Finest and first grade .....	64s. 3d.
Second grade .....	62s. 3d.

These prices are in New Zealand currency, f.o.b. New Zealand.

The quantities contracted for in the 1940-41 season are to be increased. During the ensuing season New Zealand is to supply 120,000 tons of butter as against 115,000 tons last year and 107,000 tons of cheese as against 84,000 tons. Although specific quantities were stated in the agreement, it is understood that the United Kingdom, subject to the shipping available, will take to the maximum of what New Zealand can supply.

According to the latest reports (November 11), the new season's production of butter and cheese is showing a considerable increase. For August and September, as compared with the same period last year, butter output increased by 30 per cent and cheese output by 106 per cent. It is not expected that this high rate of production will continue, but a good start has been made towards meeting the increased requirements of Britain. Growing conditions have been very favourable, and abundant feed is assured for the summer months. Although it is still a matter of concern, comparatively little is heard lately of the rising consumption of margarine in the United Kingdom. Undoubtedly the call for a substantial increase in cheese production, entailing the diversion of quantities of milk originally intended for butter production, has had a compensating effect. The demand for further butter supplies has also been favourably received by the producers.

**DRUGS ACT 1940 OF BRITISH INDIA**

K. F. NOBLE, ACTING TRADE COMMISSIONER

[The late appearance of this report is due to an exceptional delay in mails.—Ed.]

Bombay, September 25, 1940.—The absence of any unified plan of supervision of the manufacture, importation, distribution and sale of pharmaceutical drugs, patent medicines and biological and vitamin products in India will be remedied when the Drugs Act 1940 becomes effective. The only provisions for supervision in the drug field were those imposed under the Dangerous Drugs Ordinance 1930, which dealt with a limited range of specialized products.

For purposes of the new Act, drugs have been defined as "all medicines for internal or external use of human beings or animals, and all substances intended to be used for or in the treatment, mitigation or prevention of disease in human beings or animals, other than medicines and substances exclusively used or prepared for use in accordance with the Ayurvedic or Unani systems of medicine."

Further a definition has been established for patent medicines in the following terms: "Drugs whether simple or in association not recognized by the Permanent Commission on Biological Standardization of the League of Nations or the latest issue of the British Pharmacopœia or the British Pharmaceutical Codex."



The Drugs Act 1940 establishes a working separation of powers between the Central and Provincial Governments. Supervision of the importation of drugs is allotted to the Central Government, while the Provincial Governments are allotted the supervision of the manufacture of drugs within their jurisdictions and the regulation of the distribution and sale of all products within the orbit of the legislation.

The only exception to the comprehensive treatment of drugs provided by the Drugs Act 1940 is in the case of specifics used under the "Ayurvedic" and "Unani" systems of naturopathy. Products conforming to the usages of these two medical codes and certified as such are exempt from regulation. This exception, however, is of no importance to the manufacturer abroad.

#### SUPERVISORY BODIES

The Central Government proposes to create a Technical Advisory Bureau representing a cross-section of trained opinion, which will assume responsibility for advising the Executive Officers administering the ordinance on all technical matters and will in fact be the final authority on all questions arising out of the Drugs Act 1940.

A Central Drugs Laboratory will have power under the Ordinance to verify the ingredients of all drugs and to authorize the registration of proprietary and patent medicines, which after such registration will be allowed an identification number eliminating the necessity of disclosing the ingredients on the labels, while a Drugs Consultative Committee will establish an official licensing between the provinces whereby uniformity of administration can be effected.

#### IMPORTATION OF DRUGS

The sphere of interest exclusively apportioned to the Central Government, which shall make its powers effective by notification, provides for the following: The prohibition of imports of drugs when (a) of non-standard quality; (b) where misbranded; (c) "patent and proprietary" drugs failing to show their formulae and where unregistered with the Central Drugs Laboratory; (d) where any advertising or publicity specifically or impliedly purports or claims to cure or mitigate any disease or illness.

The Central Government has powers which will permit it to (a) specify drugs requiring licence prior to import; (b) establish standards and tests in verification of compliance with those standards in the case of individual drugs or individual shipments of a drug; (c) prescribe means of standardization for biological compounds; (d) specify diseases which cannot be associated with drugs or drugs in general; (e) require the date of manufacture and of expiry of potency, where such is deemed advisable; (f) establish regulations covering packing and labelling; (g) establish maximum limits for poisonous substances; and (h) establish substantial penalties for non-compliance.

#### MANUFACTURE, SALE AND DISTRIBUTION

The Provincial Governments are each assigned responsibility for declaring the date on which Section IV of the Act, dealing with manufacture, sale and distribution, shall become effective within their jurisdictions. No province, however, has as yet established the legislation by such notification. Powers of the provinces in connection with the manufacture, sale and distribution are the same as those of the Central Government in connection with imported materials.

The more important features, however, include the right of supervision over the conditions of manufacture or sale, exhibition for sale, or the distribution of drugs within the provinces (a) which are not of standard quality; (b) which are misbranded; (c) which, if patent medicines, lack a declaration of formula or proof of the granting of certificate of registration by the Central Drugs Labora-

tory; and (d) which use labels purporting to indicate that contents are a cure for disease or sickness.

The Import Trade Control Scheme introduced by the Government of India on May 20, 1940, as a wartime measure has involved a regulation of the importation of patent and proprietary medicines. For purposes of the import control regulations, patent and proprietary medicines are defined as medicines satisfying any of the following conditions: (1) All secret medicines (i.e., all medicines the composition of which is not disclosed or not adequately disclosed); (2) all medicines sold under a proprietary name (i.e. all medicines where the method of manufacture is claimed to be a secret); (3) all medicines in the formulae of which a proprietary right is claimed; (4) all medicines sold under a trade name, trade-mark or brand; (5) all medicines sold with recommendations for human ailments.

Further for purposes of import trade control, the expression "proprietary and patent medicines" is not meant to cover: (a) Any preparation which is for the time being recognized by the Permanent Commission on Biological Standardization of the League of Nations or in the latest edition of the British Pharmacopoeia or the British Pharmaceutical Codex; or (b) any preparation of which the true formula is declared on the container or label and for which no proprietary rights are claimed either in the formula or method of preparation.

## POINTS FOR EXPORTERS TO COLOMBIA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, January 20, 1941.—The Republic of Colombia covers an area of 439,828 square miles and in 1938 had an estimated population of 8,693,293. Except for the broad grassland plains in the southeast, the country is rugged. Three great parallel terminal ranges of the Andes traverse the country from south to north, with intervening longitudinal valleys. Climatic conditions vary from tropical to moderate, with some frost at the higher elevations.

Colombia is primarily an agricultural country, and approximately two-thirds of the population are engaged in agricultural pursuits. Wages in general are low, ranging from 25 to 75 cents per day and, therefore, due to the low incomes received by the great majority of the population, purchases are largely limited to bare necessities.

On account of the high cost of transportation to and in the interior, due to the mountainous nature of the country, a wide range of manufactured articles are produced for local consumption, especially in Bogota, Medellin, Cali, Bucaramanga, Manizales, Barranquilla, and Cartagena.

These articles consist of textiles, boots and shoes, cigarettes, beer, clothing, confectionery, furniture, cigars, flour, cement, non-alcoholic beverages, glassware and chinaware, soap, candles, paper boxes and bags, rubber goods, pottery, vegetable oils, perfumes, drugs, matches, nails, wire, bricks, and foodstuffs.

Colombia is rich in minerals, gold being found in many parts. There are large reserves of coal but most of the deposits are inaccessible and it is not mined on any considerable scale. Platinum is of major importance, and there are many other minerals. Petroleum is produced, and this industry is increasing rapidly. Colombia also produces electrical energy by water power in some of the principal centres, making the cost of electricity comparatively cheap.

As stated above, agriculture is the principal industry and coffee is the principal crop. The economy of Colombia is largely dependent upon coffee, and consequently the shutting-off of the European markets, which normally took 18 per cent of Colombia's coffee crop, has been a serious blow to the

country, resulting in a great scarcity of foreign exchange and the application of rigid exchange control regulations governing all imports and exports.

There are two ports of importance on the Caribbean Sea—Barranquilla and Cartagena—and one on the Pacific, Buenaventura. Barranquilla is the principal port and the point of entry for the major portion of Colombia's imports. Extending south from Barranquilla into the interior is the great highway of Colombia, the Magdalena River, which is navigable for about 825 miles. Imports for the interior entering at Barranquilla are placed on river boats and transported as far as possible up this river or the Cauca River, which empties into the Magdalena. Shipments for Medellin are carried as far as Porto Berrio and for Bogota to Giradot and thence by rail. Railways operate in the interior valleys, but with the exception of the Pacific Railway from Buenaventura on the Pacific, to Cali, Popayan, Cartago and other cities in the Cauca Valley, there are no railways from the coastal areas to the interior.

### DOCUMENTATION

As in many Latin-American countries, it is an established practice to levy fines when the necessary documents are not completed properly or do not arrive in advance of the merchandise or within four days of the arrival of the goods. Great care must therefore be taken when completing the documents to see that they are made out in accordance with instructions given by the agent or the purchaser and to ensure that they arrive in plenty of time to enable the goods to be cleared within the period allowed. Should fines be imposed because of errors on the part of the exporter or delay in arrival of the documents, the importer will refuse to pay the draft until the amount of the fine or fines is deducted. Should the documents not go forward with the carrying steamer, they should be sent by air mail, as otherwise there will most likely be a delay in their arrival, resulting in a fine.

As most of the merchandise shipped to Colombia is for interior points, purchasers employ customs brokers at the ports to clear their goods through customs and arrange for the internal transport to destination. Therefore, when orders are sent forward to manufacturers, instructions sent at the same time are generally to forward the documents to a firm of customs brokers, say in Barranquilla, and to send the draft to a collecting bank in the city in which the purchaser resides, say, Bogota.

The documents required for all shipments to Colombia are: consular invoice, commercial invoice, bill of lading, certificate of origin, and insurance certificate.

Commercial invoices should be made out in quadruplicate and each copy should be signed by a responsible official of the manufacturer or shipper and the *original* and copies sent as per instructions given when the order is sent forward.

The commercial invoice should contain the following information:—

1. The date and month should be written out in full, i.e. 6th June, 1940, and not 6/9/40.
2. The net and gross weight shown in kilos for each item.
3. A complete description of the goods in Spanish.

The Spanish description of the goods will be given at the time the order is submitted; it is necessary for the consular invoice and can be copied (care must be taken to copy it exactly) on the commercial invoice. The Spanish declaration must be definite; general terms such as "hardware" and "accessories" should never be used.

Detailed information covering documentation of shipments to Colombia has been published in pamphlet form; copies may be obtained by interested



Canadian firms on application to the Department of Trade and Commerce, Ottawa.

#### COLOMBIAN IMPORT LICENCE

Due to the rigid control exercised on account of the shortage of foreign exchange, an import licence or permit is required before goods will be permitted entry, and a copy of this licence should be in the possession of the exporter before goods are shipped.

A margin of 10 per cent is allowed on goods from Canada. Provided all goods covered by the licence (or licences) are shipped at one time, the licence may be stamped by the Colombian consul to indicate that it is cancelled in its entirety, but if only part of the goods called for on the licence are shipped, care should be taken to see that the Consul cancels only the *actual value* of the goods shipped, leaving the balance of the licence open to cover shipments which are to follow.

#### DUTIES AND PACKING

As all duties are levied on *gross weight*, packing must be as light as conveniently possible. The use of unnecessarily heavy packing is resented by the purchaser, as it increases the landed cost and may render the price, especially where the margin of profit is slight, non-competitive, and repeat orders will not be forthcoming.

#### REPRESENTATION

Canadian exporters are sometimes a little confused when more than one manufacturers' representative or agent is recommended to them for Colombia. Colombia is divided into four separate and distinct areas, each of which is almost entirely cut off from the neighbouring areas by high mountain ranges, and travelling from one area to another, except by air, is tedious and expensive and requires considerable time. Each of these areas, represented by Barranquilla, Bogota, Medellin, and Cali, has distinct requirements, peoples, customs and habits, and few firms operating as importers' or manufacturers' agents cover more than one area; that is, they do not have their own branch offices in more than one area. Admittedly many manufacturers' representatives will accept an agency for the whole of Colombia and many ask for the whole country when applying to foreign firms, but they do not work the four areas themselves. They work the one in which they reside and operate in the other areas on a sub-agency basis. This means that the commission is split and the sub-agent, as a rule, works the line accordingly.

#### USE OF AIR MAIL RECOMMENDED

It is recommended to Canadian exporters, in view of the fact that it takes at least a month for a letter sent by ordinary mail to reach an interior point like Bogota, Medellin or Cali, that all letters containing essential data be sent by air mail and that any letter sent by a Colombian firm by air mail to Canada be answered by air mail. It will admittedly add slightly to the cost, but this will be amply repaid. Prompt replies create a most favourable impression, and frequently it may mean the difference between obtaining an order and losing it.

#### METHODS OF PAYMENT

In view of the scarcity of foreign exchange in Colombia it is practically impossible to sell goods on the basis of irrevocable letter of credit, as only in exceptional cases will the Control Board authorize it, and very few firms have access to outside funds.

All imports are classified into four categories or "turnos". Those in the first category and for which exchange is available almost immediately are

usually sold on the basis of sight draft. In actual practice the goods arrive at a port; the customs broker clears the shipment and then forwards the documents to his client; the importer then makes out his application to purchase the necessary foreign exchange, and this is sent to the Exchange Control Board for approval. No applications can be made to the Exchange Control Board for foreign exchange until the goods have actually arrived in the country.

Payments for commodities listed in Categories 2, 3 or 4 have to wait until the foreign exchange is available and, even though settlement is made through the medium of the "stabilization fund", payments may be delayed up to  $4\frac{1}{2}$  months; if they are not made through this medium, the delay will be much longer.

Practically all firms in Colombia object to paying bank collection and other charges if these are shown separately on the invoice. It is recommended therefore, that such charges be included in the original quotations in order to avoid subsequent discussion. As a rule the addition of  $1\frac{1}{2}$  or 2 per cent will cover this item, and for commodities in the preferred category this takes care of the delay necessary in obtaining payment due to the formalities necessary in obtaining permission to purchase the foreign exchange and its remission to Canada.

## POINTS FOR EXPORTERS TO NICARAGUA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, January 16, 1941.—The area of Nicaragua is approximately 49,200 square miles, with a coastline of about 300 miles on the Atlantic and 200 miles on the Pacific. The population is about one million, of which number 92 per cent live in the western half of the country. Spanish is the official language, but English is spoken by many of the businessmen in the three principal cities, Managua (the capital), Leon and Granada.

The living standards of the people are simple. The climate is mild, so that no heavy expenditures are required for either clothing or shelter, a fortunate circumstance in view of the low purchasing power of the people.

Nicaragua is predominantly an agricultural country. The production of coffee and bananas and the raising of cattle are the principal occupations. Some sugar and cotton and a small quantity of sesame is also produced for export; corn, rice, beans and other vegetables and some fruits are grown for domestic consumption.

### INDUSTRIES AND EXPORTS

The country possesses considerable mineral resources, but gold and silver are the only minerals developed for export. Some hardwoods are exported, but aside from the production of these, together with coffee washing and sugar refining, the industrial development of Nicaragua is hardly beyond the handicraft stage, although shoes, beer, cigarettes, soft drinks, soap, and spirits are produced for local consumption.

In order of importance, the principal exports of Nicaragua are coffee, gold, bananas, timber for construction and cabinet woods, cotton, hides and skins, and sugar.

### PORTS AND STEAMSHIP SERVICES

The principal port is Corinto on the Pacific. On the Caribbean side, Bluefields and Puerto Cabezas derive their importance from the export of bananas by the United Fruit Company and the Standard Fruit Company, who operate their own vessels between New Orleans and these two ports.

Steamship services to Corinto are at present infrequent, and the majority of the ships calling at this port do so only when northbound. Therefore, ship-

ments from either Pacific or Atlantic ports of Canada would probably have to go to Balboa, Canal Zone, and be transhipped to a vessel calling at Corinto en route to San Francisco or other northwestern port.

The commercial centre of Nicaragua is Managua, the capital, from which an agent can adequately cover the whole of the country.

### EXCHANGE CONDITIONS

At present there is a scarcity of foreign exchange in Nicaragua. Before imports will be permitted to enter the country, an import permit must be obtained; in fact no consul will visa commercial invoices before this import permit is presented. However, there is no connection between the issue of this import permit and the granting of exchange with which to pay for goods. In other words, while an import permit may be granted, it is no guarantee that exchange will be made available later.

Nicaragua currently permits the operation of a "street" or "black" exchange market in addition to the "official" exchange and, when commodities justify the difference in rates, funds for payment are frequently obtained from this source.

The official rate is 5 cordobas to the United States dollar, with a 10 per cent tax and  $\frac{1}{2}$  of 1 per cent commission on all transactions. The "street" rates vary from 6.15 to 6.50 cordobas to the United States dollar.

Canadian exporters are advised, therefore, to exercise due care before shipping to Nicaragua. For most transactions it would be advisable to demand payment with order. There are exceptions, of course, but goods should not be shipped until the exporter is satisfied that payment will be forthcoming.

### COMMUNICATION BY AIR MAIL

As mentioned above, steamship services to Nicaragua are irregular and infrequent. Ordinary mail is, therefore, often delayed in transmission, and as a result business is frequently lost. The use of air mail is recommended to Canadian exporters, since the advantage it affords will more than make up for the small additional cost.

### DOCUMENTATION

Full information respecting documentation of shipments to Nicaragua is contained in a pamphlet entitled "Invoice Requirements of Nicaragua," copies of which may be obtained by interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa.

## CONTROL OF EXPORTS FROM CANADA

### GOODS PROHIBITED EXPORT EXCEPT UNDER PERMIT

Under Order in Council (P.C. 488) dated January 22, 1941, it is prohibited as from February 3, 1941, to export any of the articles in the following list without having first obtained a permit issued by or on behalf of the Minister of National Revenue:—

#### Non-ferrous Metals

Antimony.—Antimony ores, concentrates, metal alloys in crude and semi-fabricated form and antimony compounds.

Beryllium.—Beryllium ores and concentrates, metals and alloys.

Brass.

Bronze.

Magnesium.—Metallic magnesium and alloys, crude, semi-fabricated and scrap containing in excess of 10 per cent magnesium.



Mercury.—Mercury ores and concentrates, metallic mercury and compounds.

Tin.—Tin metal, alloys containing in excess of 5 per cent tin in crude and semi-fabricated form; tin plate scrap and other scrap materials plated with metal containing tin, and other tin or tin alloy scrap and wastes.

### **Ferro-alloys**

Titanium.—Titanium and titanium ores.

Vanadium.—Vanadium ore and concentrates; alloys containing in excess of 10 per cent vanadium, and vanadium compounds.

### **Other Industrial Minerals**

Borax.

Chromite refractories.—Chromite crude containing chromium in excess of 10 per cent in semi-fabricated or fabricated form.

Graphite.—Flake graphite, graphite crucibles, retorts and stoppers.

Magnesia refractories.—Magnesia including crude or calcined rock, excepting dolomite, containing magnesia in excess of 20 per cent in semi-fabricated or fabricated form.

### **Fuels, etc., and Essential Equipment Related Thereto**

Petroleum coke.

Petroleum products.—(a) Aviation motor fuel, i.e., high octane gasolines, hydrocarbons and hydrocarbon mixtures (including crude oils) boiling between 75 degrees and 350 degrees F. which, with the addition of tetraethyl lead up to a total content of 3 c.c. per gallon, will exceed 87 octane number by the A.S.T.M. Knock Test Method; or any material from which by commercial distillation there can be separated more than 3 per cent of such gasoline, hydrocarbons or hydrocarbon mixture.

(b) Aviation lubricating oil, i.e., any lubricating oil of 95 or more seconds Saybolt Universal Viscosity at 210 degrees F., with a viscosity index of 85 or more. Tetraethyl lead.—Pure tetraethyl lead, ethyl fluid or any mixture containing more than 3 c.c. of tetraethyl lead per gallon.

Toluol.—Toluol and light oil resulting from the distillation of coal tar.

Equipment for the production of tetraethyl lead and aviation gasoline.

Oil storage tanks and oil-drilling machinery.

### **Chemicals**

Ammonia and Ammonium Compounds.

Chlorine.

Dimethylaniline.

Diphenylamine.

Nitric acid.

Nitrates.

Nitrocellulose, having a nitrogen content of less than 12 per cent.

Soda lime.

Sodium acetate, anhydrous.

Strontium chemicals.

Sulphuric acid, fuming.

### **Miscellaneous**

Aerial cameras and other types of military equipment containing optical elements.

Cotton linters.

Fire control instruments.

Flax.—Flax and cloth containing flax, except when manufactured into wearing apparel or household goods.

Glass.—Non-shatterable or bullet proof.

Helium gas.

Manila fibre.

Military searchlights.

Optical elements for fire-control instruments, aircraft instruments, etc.

Optical glass.

Plans, specifications and other documents *re* design or construction of aircraft or aircraft engines.

Plastics, optically clear.

Quartz crystals.—Piezo electric and optical.

Quinine.—Quinine barks, cinchona or others from which quinine may be extracted, and quinine sulphate.

Rubber.—All forms and types of crude rubber, reclaimed rubber, and scrap rubber containing in excess of 5 per cent rubber.

Shellac.

Silk.—Raw silk and waste silk.

## LETTER MAIL FOR SOUTH AFRICA

Owing to delays and uncertainty in Empire mail services between Canada and South Africa, firms communicating with the Canadian Trade Commissioners at Cape Town and Johannesburg are requested to route letters via New York.

## INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended December 31, 1940 (Nos. 1901 to 1926 inclusive) is being sent out to subscribers with this issue of the *Journal*. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to preserve them, with the Index, in bound volumes, or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### IMPORT LICENSING AMENDMENTS

Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, reports the following recent changes in Import Licensing regulations:—

*Gas Carbon Black.*—For the purpose of establishing allocations of permissible imports of gas carbon black covered by tariff item 404A, for the licensing period ending June 30, 1941, base year importations (on a value for duty basis) may be increased by 100 per cent.

*Steel Balls for Cycle Bearings.*—This item is exempt from the provision of the Customs (Import Licensing) Regulations until further notice.

*Sheet Newsprint.*—As from January 1, 1941, the annual import quotas in respect of newsprint in sheets, dutiable under tariff item 334(C)(1)(b), for use other than in the production of rationed publications, will be reduced by 15 per cent. The sheet newsprint quota for such purposes is based upon imports from both sterling and non-sterling sources, so that imports from sterling countries, for use other than in rationed publications, will be debited against total permissible quotas.

*Fruit Pectin in Bulk.*—Until further notice, the value of base-year importation of fruit pectin in bulk may be increased by 100 per cent for the purpose of determining permissible allocations.

During the period January 1, 1941, to June 30, 1941, licences for the importation of fruit pectin in bulk may be made available on application, provided the value of licences granted during such period does not exceed 50 per cent of base-year values as increased by 100 per cent.

*Aluminium.*—A previous ruling provided that, until further notice, licences would not be issued for the importation of aluminium, aluminium alloys and aluminium wire imported under certain tariff headings. The list of tariff items has now been extended, the complete list being as follows:—

- 137(A) (1) Aluminium, blocks, cubes, ingots, pigs, scrap and granulated.
- (2) Aluminium, bars, pipes, angles, plates, rods, strips, sheets, tubes and tees not further manufactured than plated, polished or decorated.
- 137(B) Aluminium wire.
- 139(A) Alloys (non-ferrous), blocks, ingots, pigs.
- (B) Angles, bars, channels, pipes, plates, rods, sheets, strips, tees and tubes, not further manufactured than plated, polished or decorated; wire.
- (C) Scrap.
- 148(B) Aluminium leaf or foil, of any shape.
- 204(B) (1) Aluminiumware n.e.i., including plated aluminiumware.
- 223 Aluminium powder.
- 404 Materials and minor articles, of a class or kind not commercially produced or manufactured in Australia, for use in the manufacture of goods within the Commonwealth, as prescribed by Departmental By-laws.

Should an application be made to import any article with a high aluminium content, the application must be referred to the Central Customs Office in Canberra for a final decision. This ruling applies to all aluminium items whether of sterling or non-sterling origin.

*Essential Drugs.*—The Medical Equipment Control Committee in consultation with medical specialists has compiled a "minimum" pharmacopœia comprising a minimum list of drugs required for the treatment of any disease. Those drugs included in the minimum pharmacopœia which are not at present produced in Australia, are listed at the Department of Trade and Commerce, Ottawa, for reference by interested firms. Licences for the importation of any of the drugs included in this list may be issued to *druggists only*, as and when required, irrespective of quantity, value, origin or relationship to the applicant's importations in the base year.

For the purpose of this instruction the term "druggist" is to be regarded as applying to pharmaceutical chemists, wholesale or retail, and not to indentors or other persons not trading as pharmaceutical chemists.

#### IMPORTATIONS FROM THE STERLING AREA

Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, writes that goods the produce or manufacture of a country outside the "sterling" area are prohibited from importation without a licence, although such goods may be purchased in or from a country within the "sterling" area. No goods are deemed to be goods the produce or manufacture of any British country whose products are exempt from the licence requirements, unless the goods qualify for entry into Australia under the British preferential tariff or would qualify if the British preferential tariff were applicable to that British country. Exemption from the import licence requirement is limited to goods which are the produce or manufacture of the country to which the exemption relates and then only when such goods are consigned to the Australian importer *from the exempt country*.

#### TOBACCO RATIONING IMPORT RESTRICTIONS

Mr. R. P. Bower, Assistant Trade Commissioner in Sydney, writes, under date December 23, 1940, that at a conference of Australian tobacco and cigarette manufacturers it was agreed that action should be taken to restrict the production and delivery of tobacco and cigarettes manufactured in Australia in order to lessen the quantity of non-sterling leaf used and thus conserve non-sterling exchange.

For rationing purposes the quantity (by weight) of manufactured tobacco and cigarettes actually delivered from any licensed excise factory during the year commencing October 1, 1939, and ending September 30, 1940, is to be regarded as the basic starting point. Any percentage restriction operated immediately or in future will apply to this quantity which will be termed the "base-year weight." The term "delivered" embraces *all* deliveries from the licensed factory whether for home consumption for export or for removal to a licensed customs warehouse, etc.

All manufactured tobacco and cigarettes delivered from the licensed factory are embraced for rationing purposes irrespective of the type or origin of the leaf used in manufacture. The base-year weight will represent the weight as duty paid or as ascertained on delivery from the factory for export, etc., during the base year.

Where a factory produces both tobacco and cigarettes the weight of both products may be grouped and treated as one for rationing purposes; that is, the quantities delivered under rationing may be distributed between tobacco and cigarettes, as suits the convenience of the manufacturer, provided of course that the total weight authorized is not exceeded.

It has been decided that rationing of manufactured tobacco and cigarettes will operate on and from October 1, 1940, and during the nine-months' period



from that date until June 30, 1941, delivery may be permitted of a total quantity equivalent to 75 per cent of the base-year weight. During this period deliveries will therefore be on the basis of 100 per cent of the base-year weight.

From January 1, 1941, rationing will be operated on a monthly basis, each manufacturer being authorized by the Collector of Customs in writing to deliver from the licensed factory during each month a quantity of manufactured tobacco and cigarettes equivalent by weight to one-twelfth of the base-year weight, less (where applicable) any percentage restriction then operating. Should any manufacturer not take delivery of the full quantity authorized for delivery during the month in which it is authorized, that portion not so delivered may be carried forward and authorized for delivery in the next subsequent month in addition to the normal quantity for the latter month.

As one quarter of the period of rationing has passed, some manufacturers will have already exceeded proportionately the rationed quantity while others may have delivered short in that quarter. The procedure to be adopted in arriving at monthly quantities authorized for delivery during the six months ended June 30, 1941, will accordingly be as follows:—

- (a) One-twelfth of the base-year weight to be determined.
- (b) The weight actually delivered in the quarter ending December 31, 1940, to be ascertained and the quantity by which it exceeds or falls short of one-fourth of the base-year weight determined. This latter figure is to be divided by six and the monthly weight ascertained under (a) decreased or increased by the resultant figure according to whether deliveries in the quarter ended December 31, 1940, exceeded or fell short of one-fourth of the base-year weight.

The rationing scheme does not embrace cigars manufactured in Australia.

#### IMPORT LICENSING OF UNMANUFACTURED TOBACCO LEAF

*Commercial Intelligence Journal* No. 1919 (November 9, 1940), page 655, contained a report dealing with the method adopted to control imports of non-sterling tobacco. It has now been decided that the quantities authorized may be increased by 17·6 per cent in respect of each manufacturer entitled to import.

The effect of this instruction is to increase permissible imports of tobacco leaf of non-sterling origin during the year 1940-41 by the percentage stated above. That is, where a manufacturer was entitled to import, say, 10,000 pounds of non-sterling leaf in terms of the previous licensing instruction, an additional quantity of 1,760 pounds may now be authorized.

### New Zealand

#### SOME NEW TARIFF CLASSIFICATIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Knobs for electric toasters under item 353-3, 20 per cent ad valorem if imported from the United Kingdom, 30 per cent ad valorem plus 22½ per cent of the duty if from Canada, and 45 per cent ad valorem plus 22½ per cent of the duty if from non-British countries.

Thumb-rests for electric irons under item 338-10a, 20 per cent ad valorem if imported from United Kingdom, 30 per cent ad valorem if from Canada, 40 per cent ad valorem if from most-favoured nations and 50 per cent ad valorem plus 22½ per cent of duty if from other non-British countries. Formerly these goods were dutiable under item 448;

free of ordinary duty (3 per cent ad valorem primage duty) under the British preferential tariff and 10 per cent ad valorem plus 22½ per cent of the duty under the general tariff.

Machines and appliances approved for admission under item 352, free of duty under British preferential tariff, 20 per cent ad valorem if from most-favoured nations, and 25 per cent ad valorem plus 22½ per cent if from other foreign countries: to include pulleys, metal, rubber-faced; drain cocks composed of gunmetal.

Knobs for kettles, teapots, coffee-pots, and urns, other than knobs composed of casein, synthetic resin, and similar moulded products, have been added to the list of articles admissible under item 448, free of ordinary duty (3 per cent ad valorem primage duty) under British preferential tariff and 10 per cent ad valorem plus 22½ per cent of duty under the general tariff.

### IMPORTS BY GOVERNMENT DEPARTMENTS

While goods entering New Zealand are subject to licence under Import Control Regulations operating since December 8, 1938, the Comptroller of Customs advises that goods the property of the Crown, in respect of the Government of New Zealand, at the time of importation, and which are entered through the Customs by the Government Department concerned, are exempt from these licence requirements whether or not the goods are subject to duty.

In the case of most government departments imports are also exempt from duty, but under the authority of Section 141(1) of the New Zealand Customs Act duty is payable on goods imported or entered for home consumption by certain departments. These include: Government Insurance, Post and Telegraph, Primary Products Marketing, Public Trust Office, State Advances Corporation and State Fire Insurance Office. Similarly, duty is levied on imports by the Mines Department for working state coal mines or subsidiary purposes, by the Broadcasting Department for service carried on under the 1936 Broadcasting Act, and by the Public Works Department for construction or maintenance purposes in generation, supply or sale of electric energy.

Conditions on which goods are dutiable when imported by the Railways Department are: (a) for sale; (b) for use in manufacture of goods for sale (including goods for use in refreshment rooms or for sale in refreshment rooms and bookstalls); (c) for use in all the aforementioned departments of state and in the case of the Mines and Broadcasting Departments for the respective purposes set out, or (d) for use in the manufacture of goods to be used in these departments and in the case of the Mines Department and Broadcasting Departments for the respective purposes hereinbefore set out; (e) for use in the Public Works Department for generation, supply, or sale of electric energy; (f) for manufacture of goods to be used in the Public Works Department for purposes mentioned in (e).

### Union of South Africa

#### CURRENCY FOR PAYMENT FOR IMPORTED GOODS

Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, reports under date December 14 that importers would not be permitted by the Foreign Exchange Control Board in the Union of South Africa to make payment for Canadian merchandise in United States dollars. As the regulations require that payment for goods imported from overseas must be either in the currency of the country of origin of the goods or in sterling, payment in a third currency is prohibited. Attention is called to an announcement in *Commercial Intelligence Journal* No. 1894 (May 18, 1940), page 781, stating that imports from non-sterling countries into the Union of South Africa must normally be contracted for and paid for either in the currency of the Union or in the currency of the country from which the imports are obtained.

## British India

### REGULATION OF IMPORTS, MANUFACTURE, DISTRIBUTION AND SALE OF DRUGS

An outline of the provisions of The Drugs Act 1940, which establishes machinery for supervision of the manufacture, importation, distribution and sale of pharmaceutical drugs, patent medicines and biological and vitamin products in India, and also of the wartime regulation of the importation of patent and proprietary medicines under the Import Trade Control Scheme introduced on May 20, 1940, will be found in a report under the title "Drugs Act 1940 of British India" at page 160 of this issue.

## Jamaica

### RESTRICTIONS ON USE OF WRAPPING PAPER

An Order of the Competent Authority of Jamaica made under Defence Regulations, 1940, effective January 15, 1941, states that "no vendor shall use or permit to be used in the course of his trade or business wrapping paper or paper bags for the purpose of wrapping or containing canned, bottled or pre-packaged goods."

### CERTIFICATES FOR TRADE SHIPMENTS BY PARCEL POST

While a short form of certificate of origin for parcel post shipments is provided for in Jamaica regulations governing procedure for entry of goods under the British preferential tariff, information has been received that, in many instances, this short form is not the most useful for this purpose. The customs declaration attached on the outside of the parcel ordinarily replaces the invoice. The parcels are subject to the customs laws and may be opened for examination. Difficulties may be experienced if there is found any divergence between the stated contents and the contents actually in the parcel. Should any doubt whatever arise, more elaborate documents would be demanded. For trade goods, it is therefore recommended that the complete form of certificate be sent under ordinary cover so that the importer may be in a position to satisfy inquiries.

## Bahamas

### ECONOMY URGED IN USE OF PAPER

The Bahamas *Gazette* of December 17, 1940, announces that the Government is anxious to avoid restricting consumption of paper by recourse to its powers under the Defence Regulations, but on advice of the Import Control Advisory Committee directs attention to the urgent need for economy in use of paper which has to be purchased in dollar currency. Where use of wrapping paper cannot be avoided the public are requested to return paper bags and other wrappings to tradesmen. Use of newspapers is suggested for wrapping dry goods. To conserve stationery paper, people are asked to write on the back of sheets and to use envelopes more than once.

## Barbados

### CERTIFICATES OF ORIGIN FOR RESTRICTED GOODS

Mr. C. A. Reed, Comptroller of Customs, Barbados, advises that under existing import licensing regulations licences issued for imports from Canada are given on condition that the goods have sufficient Empire content to qualify for British preferential tariff treatment. It has been stated that some Canadian exporters fail to observe this point and that quite often certificates of origin are not received or are improperly made out. Shipments unaccompanied by such certificates of origin are liable to seizure.



## BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland). 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 3, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 3, 1941, and for the week ending Monday, January 27, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 27	Nominal Quotations in Montreal Week ending Feb. 3	Official Bank Rate
Finland . . . . .	Markka	.0252			
Great Britain . . . . .	Pound	4.8666	\$ .0223	\$ .0223	4
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Yugoslavia . . . . .	Dinar	.0176	.0248	.....	—
Portugal . . . . .	Escudo	.0442	.0444	.0445	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2647	.2645	3½
Switzerland . . . . .	Franc	.1930	.....	.2577	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2279	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2622	.2627	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6325	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4386	.4388	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0597	.0584	—
Hongkong . . . . .	Dollar	.....	.2640	.2634	—
India . . . . .	Ruppee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Piece-goods of Artificial Silk and of Cotton.....	23	Dublin, Ireland.....	Agency.
Pharmaceutical Chemicals.....	24	Cairo, Egypt.....	Purchase.
Soapstone.....	25	Dinas Powis, Glam., Wales..	Purchase.
Brass Sleeves (Special).....	26	Stoke-on-Trent, England..	Purchase.
Machine for making Excelsior...	27	Glasgow, Scotland.....	Purchase.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

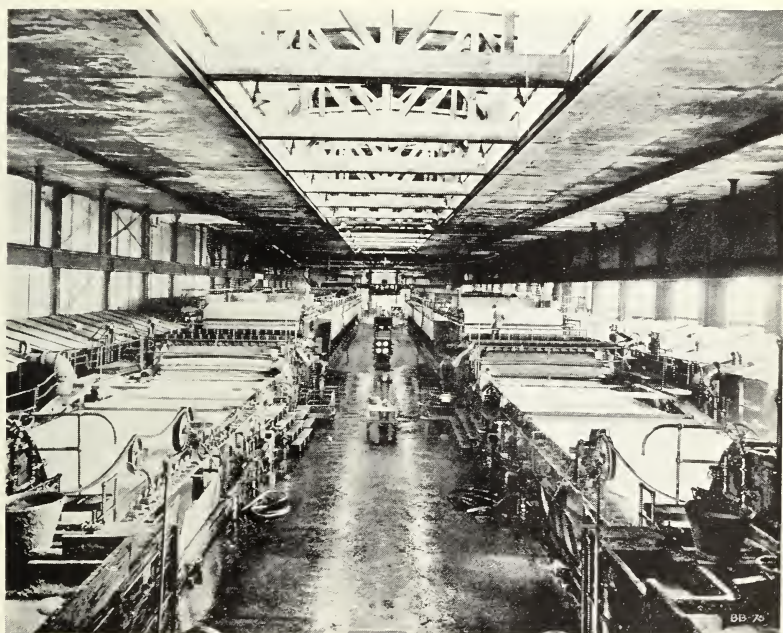
**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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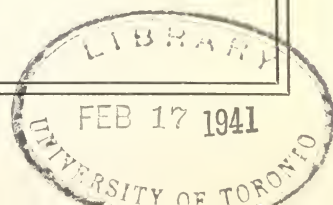


Canadian Newsprint Production rose to a High Level in 1940

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGESS, DEPUTY MINISTER



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**No. 1933**

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## **BUSINESS CONDITIONS IN THE UNITED STATES IN 1940**

**D. S. COLE, CANADIAN TRADE COMMISSIONER**

New York, February 3, 1941.—Industrial activity in the United States achieved an all-time record in 1940. Compared with 1939, industrial output increased by 13 per cent, and the previous all-time high was exceeded by 10 per cent. New peaks of production were reached in machine-tools, aircraft, aluminium, iron and steel, cotton and rayon goods, rubber products, and electric power.

By all industrial yard-sticks and precedents, such a business situation would be accompanied by a stock-market boom, buoyant enterprise and a spirit of optimism of the highest order. Instead, there is at present a sagging stock market and business is buoyant only with respect to volume of business immediately ahead. The tragedy being played out in Europe, with the anxious accompaniment of England's gallant and strained defence, is the answer to the sharply contrasting conditions existing in the United States.

As expressed both in private interview and in business summaries published in the early part of January, 1941, the general opinion of industrialists and bankers is clearly that there is no real recovery in this country, that the present feverish rush for munitions will continue just so long as the pressure of circumstances exists, and that certain maladjustments which have never been corrected since the depression of 1932 will then again appear.

The past year can be summed up as a year of maximum industrial activity, coupled with the real awakening in this country as to the need for national defence and the beginning of practical assistance to Great Britain.

### **STEEL INDUSTRY**

During 1940 the United States produced more steel than in any previous year, output exceeding the production of 1929 by a considerable amount. This is a direct result of a heavy demand for United States materials abroad due to the war situation, the demands of the United States defence program, and an increased demand from the automobile, shipbuilding and railway industries for steel and steel products as the result of the general rise in domestic industry. Although this basic industry's vast resources are now being fully utilized, it must not be overlooked that most of the causes for the increased production are transitory and that a readjustment will have to follow.

### **PRODUCTION**

According to the Iron and Steel Institute, the production of steel in 1940 established a high record of 65,246,953 net tons, which was 26 per cent above

the 1939 production of 51,584,986 net tons and 7 per cent above the previous high mark of 60,829,752 net tons produced in 1929. The industry operated at 82.22 per cent of capacity during the year as compared with 64.7 per cent in 1939 and 89.05 per cent in 1929. Production for the second half of the year, amounting to 36,568,829 tons, showed a considerable advance over the production of 28,678,124 tons for the first six months of the year.

#### EMPLOYMENT

Employment and payrolls in the industry during 1940 rose far above the 1929 levels. An average of approximately 550,000 men were employed throughout the year, or nearly 20 per cent more than in 1929, and, in spite of the current short week, payrolls at \$950,000,000 were 13 per cent higher than in 1929.

#### EXPANSION

Although total expenditures for plant modernization and expansion during the past ten years approximated \$1,500,000,000, the major problem now confronting the steel industry is the extent to which existing capacity will be adequate to meet the needs of the new arms program as well as normal consumption. Already some of the large companies have started expansion work in order to increase output.

The greatest proportionate demand for expansion facilities in the industry during 1940 was in the electrical steel division. As a result of the heavy demands for war materials, which taxed the industry, it became necessary to expand facilities. At the close of the year, total expansion, either completed or projected within the year, was estimated at 900,000 net tons.

#### PIG IRON

Pig iron output for 1940 totalled 46,815,906 net tons, the highest on record. It was 34.2 per cent above the 1939 production of 34,808,682 tons and just above the record 1929 production of 46,768,081 tons. On January 1, 1941, there were 202 furnaces in blast as against 191 in blast on January 1, 1940.

While no new furnaces were built in the past two years, there was probably more blast furnace repair and enlargement work undertaken in 1940 than in any other year in history. It is estimated that the annual capacity of the nation's blast furnaces at the end of 1940 was around 55,700,000 net tons as compared with 58,000,000 net tons in 1929, and that existing equipment will meet the heavy demands anticipated in 1941.

#### SCRAP IRON AND STEEL

The Institute of Scrap Iron and Steel reports that the United States consumption of iron and steel scrap for 1940 rose to 41,000,000 gross tons, an increase of 25 per cent over the 1939 total of 32,434,000 gross tons. In the first world war the peak consumption amounted to 26,800,000 tons and was reached in 1917.

From a low price of about \$16.75 per ton in April, the price of No. 1 heavy melting steel scrap rose approximately \$7 to \$7.50 a ton toward the end of the year. As a result of the increases in price, conferences have been called to determine what control, if any, might be exercised to keep the advance from becoming a threat to steel-producing costs.

Due to many of the normal markets of the United States being cut off and the United Kingdom being the only important purchaser, scrap iron exports for 1940 amounted to only 2,800,000 tons as against 3,551,000 tons in the previous year.

## AIRCRAFT

As a direct result of the war and the United States rearmament program, the United States aircraft industry made great strides during the past year; but the expansion in output was unable to keep pace with the unprecedented demand, first from the British Government and later from the United States Government, and to-day the industry's unfilled orders are almost five times as large as a year ago.

## PRODUCTION AND ORDERS

Production in the aircraft industry for 1940 is estimated at \$625,000,000 as compared with \$279,000,000 in 1939, an increase of about 125 per cent. The industry now has about 164,000 workmen as against 61,000 at the beginning of 1940.

While it was planned that production should reach about 18,000 planes at the close of 1940, it actually reached about 12,000 planes. However, this is admittedly a high level as compared with the annual output of 5,000 planes at the beginning of 1940.

The backlog of the industry is estimated at \$2,800,000,000, about 50 per cent being United States Government orders and the remainder almost all British and Canadian. Orders for the United States Government consist of approximately 3,400 bombing planes, 6,250 pursuit planes or fighter planes, and 9,150 training planes. The number of engines required for these planes is placed at 25,070.

Aircraft exports for 1940 are estimated at a value of \$300,000,000 as compared with \$138,000,000 in the previous year. In recent months shipments have been at a rate of about \$360,000,000 annually.

## AIRCRAFT EXPANSION

The industry in 1940 was not in a position to handle the large volume of orders flowing in—and is not yet in a position to do so. Consequently it has had to embark on an expansion program unparalleled in the history of United States industry. Its ultimate goal is an annual production of 50,000 planes and at the present time it has reached a production rate of approximately one-quarter of this amount. The manufacturers have already enlarged their production facilities and have been able to take care of the large British orders, the bulk of which were placed last spring.

However, under the United States program the manufacturers will again have to double their present production floor space in order to take care of the steadily increasing orders. It is not likely that peak deliveries from the new facilities will be reached until late 1941 or early 1942.

In addition to this present expansion, substantial additions have been made and are being made by the industry suppliers and by automobile manufacturing companies, which are building new plants to produce aircraft engines and parts.

## AUTOMOBILE INDUSTRY

The United States automobile industry enjoyed its third best production year in 1940. Barring the possibility that defence activities in 1941 may cut into automobile production, which on the basis of the present program is not anticipated, the industry expects a further 10 per cent rise in production this year. However, the possibility must be considered that car and truck production for civilian customers may be limited by temporary material and labour shortage, due to diversion to arms production as well as to possible curtailing of output by government order.



The defence program has meant the placing of orders amounting to over \$1,500,000,000 and of this amount \$1,200,000,000 is being carried into 1941. The orders have been shared by nearly all the large automobile manufacturers. In view of the fact that little of the motor industry's equipment is capable of turning out anything but automobiles, the industry has found it necessary to embark on a large expansion program, involving the building of completely new plants and completely new machinery and installations. The various companies are at present spending about \$125,000,000 on plant expansion.

Many of the manufacturers are now receiving orders from aircraft concerns for certain parts, including motors, and it is expected that some of the body companies will soon be building fuselage and wing assemblies. In addition to aircraft parts, some firms have received government orders for machine guns, marine engines, diesel engines, military trucks and cars and ordnance.

#### PRODUCTION

The Automobile Manufacturers Association places the 1940 production of cars and trucks at 4,476,000 units as against 3,577,000 units in 1939, a gain of 25 per cent. The wholesale value of these units for the past year was \$3,012,100,000 as compared with \$2,318,856,690 in the previous year. Except for 1937, the unit sales were the best for any year since 1929, when the aggregate was 5,358,420 units valued at \$3,413,200,000. Factory sales of cars and trucks for 1940 were reported at 4,676,657 units or 25 per cent over the 1939 total of 3,732,718 units.

#### BUILDING AND CONSTRUCTION

The building and construction industry marked its seventh consecutive yearly gain in 1940. While residential building has been the chief support of the industry, the country's defence program has made necessary the building of new munitions plants and powder and aircraft factories and the expansion of existing factories, resulting in the largest volume of plant construction contracts being placed since 1929. It is anticipated that in 1941 both residential and plant construction will make a gain of 15 to 20 per cent over the 1940 volume.

The F. W. Dodge Corporation report for the 37 eastern states places the total value of construction contracts at \$3,850,000,000 as against \$3,551,000,000 in 1939, a gain of 8 per cent. The total value of contracts for 1940 was divided as follows: residential contracts, \$1,530,000,000, an increase of 15 per cent over the 1939 total of \$1,335,000,000; non-residential construction, \$1,200,000,000, an increase of 24 per cent over the previous year's total of \$965,000,000; public works and public utility contracts, \$1,120,000,000, a decline of 11 per cent from the 1939 total of \$1,251,000,000.

#### PRIVATE AND PUBLIC OWNERSHIP CONTRACTS

The value of private ownership contracts was estimated at \$2,170,000,000 for 1940 and accounted for 56 per cent of the total value of contracts awarded in the 37 eastern states. This total compares with the 1939 value of \$1,842,000,000 or 52 per cent of the total contracts. Public ownership contracts for 1940 totalled \$1,680,000,000 or 44 per cent of the total contracts awarded, as against \$1,708,000,000 or 48 per cent in the previous year.

#### RESIDENTIAL BUILDING

Residential construction, which has been the backbone of the industry for the past several years, continued to make further gains in 1940, the out-

standing development being the steady increase in small home construction. Public residential building in the 37 eastern states amounted to \$260,000,000 as against \$191,000,000 in 1939, a gain of 36 per cent, while private residential construction increased 11 per cent from \$1,144,000,000 in 1939 to \$1,270,000,000 in 1940. It is estimated that 545,000 new dwellings were built during the past year. Along with the unprecedented volume of heavy construction, it is anticipated that residential building will also increase and may exceed the 1940 amount by 10 to 15 per cent.

### TEXTILE INDUSTRY

The textile industry closed 1940 with production approaching high levels and with a tremendous backlog of orders, chiefly as a result of large orders placed by the Government for defence purposes. Under the stimulus of defence orders, cotton and woollen operations began expanding sharply about the middle of the year. The rayon industry continued to reflect the ever-widening uses of its products, with production of yarn establishing a new peak. With the expansion of demand, the textile industry enjoyed its most profitable year since 1936, and in the case of some manufacturers the best in a decade.

Cotton textile production in 1940 was the largest for any calendar year in the history of the textile industry. It is estimated that the output was 9,900,000,000 yards as against 9,445,736,000 yards in 1937, the highest ever recorded, and 9,145,000,000 yards in 1939. While military orders were responsible for about 10 per cent of the yardage, the increasing operations of the heavy industries, which regularly consume about 40 per cent of the cotton production, were the main factor in the increase of yardage. Prices of grey goods, reflecting the large demand as well as firm cotton prices, gained steadily, reaching at the year's close the best levels of the year and the highest since the fall of 1939.

The woollen division of the textile industry, more than any other division, has been influenced by the United States defence program. This has resulted in the woollen manufacturers having now on their books one of the highest backlogs on record, approximately 75,000,000 yards, of which over 50 per cent is government orders. The industry, which operated at a loss during the past decade, will show profits for 1940 at about the same level as 1939, which was considered a fairly satisfactory year. Wool consumption for 1940 is placed at about 630,000,000 pounds grease basis, approximately the same as in 1939.

Without the benefit of the defence program the rayon industry continued to expand its markets and production and to maintain its threat to the older textile fibres during the past year. In the apparel field, which uses about 25 per cent of the rayon production, the use of rayon both in the blend and short staple form was increased. The production of rayon yarn for the first eleven months of 1940 totalled 355,500,000 pounds as compared with 330,500,000 pounds in 1939, a gain of 7 per cent.

The production of synthetic nylon, a textile superior in certain respects to natural silk, enjoyed a successful year, particularly in the hosiery field. Demand for nylon hosiery has far exceeded supply. As a result plans are being made to build new plants which will bring the production up to 16,000,000 pounds annually.

### NEWSPRINT

The paper industry as a whole, while profiting from increased general business activity during the past year, was seriously affected by circumstances arising out of the European war. Although United States manufacturers were able to find a large market for their products, many mills were faced with greatly increased costs due to the elimination of foreign pulp supplies and rising wage schedules.

A recent report issued by the News Print Service Bureau indicates that the production of newsprint paper in North America was 4,784,825 tons, which was 16·2 per cent over the 1939 production of 4,116,749 tons. Canada supplied 3,418,803 tons or 70·1 per cent of the total amount, the United States 1,013,437 tons or 24·6 per cent and Newfoundland 352,585 tons.

The Canadian output of 3,418,803 tons of newsprint paper was 549,537 tons or 19·2 per cent greater than the 1939 output of 2,869,266 tons. The United States production of 1,013,437 tons was 73,995 tons or 7·9 per cent over the 1939 figure of 939,442 tons. The output of Newfoundland amounted to 352,585 tons, an increase of 44,544 tons or 14·5 per cent as compared with the 1939 total of 308,041 tons.

Shipments from the United States and Canadian mills amounted to 4,448,868 tons, while production for the two countries totalled 4,432,240 tons. Mill stocks in the United States and Canada were 152,371 tons and 13,455 tons, respectively, or a total of 165,826 tons for 1940 as compared with 182,454 tons in the previous year.

It is of interest to note that, despite the increased production of newsprint paper in the United States and Canada during the past year, total shipments of newsprint exceeded production. The difference was made up by the withdrawal from mill stocks in Canada, since United States mill stocks during this period were increased by 503 tons and Canadian stocks were reduced by 17,131 tons.

United States imports of newsprint paper for the first eleven months of 1940 totalled 2,545,131 tons as compared with 2,384,947 tons for the corresponding period of 1939. Canada supplied 2,400,593 tons, or 94·3 per cent, as compared with 2,007,454 tons, or 84·1 per cent, in 1939; imports from Europe amounted to 32,387 tons or 1·2 per cent, as against 295,454 tons or 12·4 per cent in the previous year; and shipments from Newfoundland totalled 112,151 tons or 4·5 per cent as compared with 82,039 tons or 3·5 per cent in 1939.

#### AGRICULTURAL SITUATION

The most important factor in the agricultural situation during the past year has been the increase of farm income in face of the shrinking export markets. At the same time as the exports of such principal commodities as wheat, cotton, corn and tobacco were declining, the stocks of these commodities on the farms were steadily increasing and in some cases reaching the highest amounts in history. The improvement in income may be attributed both to price fixing and the defence boom, the latter creating increased activity and purchasing power in certain areas previously unaffected by the agricultural program.

While there has been no change in the Government's basic policy in regard to agriculture during the past year, there has been a certain reorientation caused by the war. The 1937-39 policy of subsidizing exports was followed by a tendency to subsidize domestic consumption. Aid has been given by raising the loan rates on the so-called basic commodities and by increasing activities in the field of surplus disposal.

#### FARM INCOME

Total farm income received by the farmers from marketings and government payments totalled about \$9,094,000,000 for 1940 as compared with \$8,518,000,000 in 1939 and \$8,081,000,000 in 1938. The gain in the 1940 total was principally due to increased income from farm marketings, government payments in 1940 being below those of the previous year.



The Bureau of Agricultural Economics estimated cash income from marketings, exclusive of government payments, at \$8,328,000,000 as compared with \$7,711,000,000 in 1939, a gain of 8 per cent. Income from all of the principal groups of farm products except tobacco was higher than in 1939, the greatest increases occurring in the income from grains, cotton, meat animals and dairy products. Government payments for the year amounted to \$766,000,000 or almost 5 per cent below the 1939 total of \$807,000,000.

#### WHEAT

According to the report of the Crops Reporting Board, production of all wheat in 1940 is estimated at 816,698,000 bushels, which is about 9 per cent larger than the 1939 production of 751,435,000 bushels and 8 per cent in excess of the 1929-38 average of 754,685,000 bushels. Total acreage of all wheat harvested during the past year amounted to 53,503,000 acres, or 21,000 acres greater than the 1939 total of 53,482,000 acres and 5.9 per cent below the 1929-38 average of 56,869,000 acres.

Winter wheat production is placed at 589,151,000 bushels as compared with 569,741,000 bushels in 1939, an increase of 3.4 per cent. The area of winter wheat harvested is estimated at 36,147,000 acres or 5 per cent below the 1939 harvested area of 38,078,000 acres. The large production of winter wheat is attributed to the increased yield per acre. The 1940 yield was 16.3 bushels as compared with 15 bushels per acre in 1939.

Production of all spring wheat in 1940 is estimated at 227,547,000 bushels, an increase of 25 per cent as compared with the yield of 181,694,000 bushels in 1939, and almost the same increase over the ten-year (1929-38) average of 183,619,000 bushels. The area harvested in 1940 was 17,356,000 acres as against 15,404,000 acres in 1939 and the ten-year average of 17,416,000 acres. While both acreage and yield were above those of 1939, the increase over average production is due entirely to yield.

Durum wheat production in 1940 accounted for 34,776,000 bushels of all spring wheat production. It was slightly over the 1939 production of 34,264,000 bushels, but exceeded by a considerable amount the 1929-38 average of 29,619,000 bushels. The acreage harvested for 1940 was 3,121,000 acres or 2 per cent above the 1939 area of 3,058,000 acres and the ten-year (1929-38) average of 3,035,000 acres.

Stocks of wheat on farms on January 1, 1941, were 238,882,000 bushels or 34.8 per cent of the total production as compared with 219,065,000 bushels at January 1, 1940. This is the largest quantity of wheat ever held on farms except on January 1, 1932, when stocks were 321,985,000 bushels.

#### CORN

The production of corn for all purposes in 1940 is estimated at 2,449,200,000 bushels as compared with 2,602,133,000 bushels in the previous year, a decline of 6 per cent. Total acreage was 86,449,000 acres as against 88,430,000 acres in 1939, a decline of 2 per cent. The average yield for 1940 was 28.3 bushels as compared with 29.4 bushels in the previous year, the highest since 1920.

Stocks of corn on farms on January 1, 1941, amounted to 1,810,218,000 bushels, the fourth largest in fifteen years, and was equal to 83.2 per cent of the 1940 production. The January 1, 1940, stocks totalled 1,914,184,000 bushels or 81.7 per cent of the 1939 crop.

#### COTTON

The cotton crop for the current year is placed at 12,686,000 bales as against 11,817,000 bales for the previous year. Domestic consumption is expected to

reach a record figure in 1940-41, approximating 8,500,000 bales; but with exports estimated at only 1,500,000 bales total consumption will be only about 10,000,000 bales, leaving a carryover of 2,500,000 bales. Adding this carryover to 10,600,000 bales already in surplus, the prospect is for an over-supply of 13,100,000 bales. By the end of the current crop year it is expected that the Government will be holding 11,200,000 bales of cotton, either as collateral for loans or owned outright through loan defaults.

### COMMODITY PRICES

The outstanding fact with regard to commodity prices during the past year was the amazing stability of the general level of wholesale prices. Although production had reached a record volume at the close of the year, commodity prices as a group failed to register any net advance for the year. *The Journal of Commerce* general commodity index on December 28, 1940, was 82.1 per cent, exactly the same as on December 30, 1939. However, an analysis of the weekly figures for the year show that commodity prices declined more than 5 per cent during the first half of 1940 and reached their low of 77.4 on July 27, 1940. Then there set in recovery, which was aided by the vast national defence program and British resistance in the war, until in the final week of the year the entire decline had been made up.

The following table, compiled by *The Journal of Commerce*, shows the commodity price level (1927-29 equals 100) at the end of 1940 as compared with the level at the close of 1939:—

	Dec. 28, 1940	Dec. 30, 1939
Grains . . . . .	68.2	75.2
Food . . . . .	68.7	67.2
Textiles . . . . .	75.4	82.0
Fuels . . . . .	84.8	88.4
Iron and steel . . . . .	105.2	102.9
Non-ferrous metals . . . . .	84.0	84.4
Building materials . . . . .	113.6	100.8
Paint and paint materials . . . . .	70.6	76.3
Chemicals . . . . .	77.5	77.3
Pulp and paper . . . . .	91.8	94.0
General index . . . . .	82.1	82.1

The above table shows that, while there was no change in the general index, the indices for grains, textiles, fuel, and paint and paint materials were materially lower at the end of 1940 than a year earlier, and pulp and paper prices showed a substantial decline. Prices of building materials and steel products made a marked advance and the index for food showed a slight gain.

### EMPLOYMENT

According to the United States Department of Labor, total non-agricultural employment in the month of December was estimated at 37,100,000, a new high for recent years and about 1,500,000 more than in December, 1939. It was reported that more than 540,000 workers were added in non-agricultural employment during December. The only major group to report a decrease over the year was the mining industry and the decline was chiefly in coal mining and the crude petroleum producing branch of the industry.

### FINANCIAL SITUATION

During the past year the financial situation in the United States was dominated to a large degree by war developments. While many foreign currencies virtually disappeared from the foreign exchange market and activities in others decreased to a very small volume, foreign capital continued to flow

into the United States. This movement coupled with the increased United States export trade balance produced a volume of gold imports surpassing the large amounts received in recent years.

The excess reserves of the banks mounted to new high records, and bank deposits reached new high levels, due partly to the movement of gold to the United States and partly to the continued spending of funds borrowed by the Government. Reporting member banks of the Federal Reserve System increased their investments and their loans, the latter being mostly commercial, industrial and agricultural loans.

#### BANK RESERVES, DEPOSITS AND LOANS

The outstanding features of the past year in the banking situation of the country were the large increase in excess reserves, the growth of customer loans, continued heavy investments by the banks in securities, and a decline in the bank holdings of government securities.

The excess reserves of the member banks of the Federal Reserve System at the end of December were placed at \$6,820,000,000 as compared with \$5,150,000,000 at the close of 1939. Demand deposits of the member banks climbed from \$18,720,000,000 at the start to \$22,189,000,000 at the close of the year, or by \$3,469,000,000.

Loans and investments of the principal member banks at the end of December, 1940, amounted to \$25,253,000,000 as compared with \$23,162,000,000 a year ago, an increase of \$2,091,000,000. Total investments amounted to \$16,191,000,000 for 1940, of which \$12,548,000,000 is accounted for by government investments. Bank loans at the close of the year totalled \$9,162,000,000, of which \$5,001,000,000 was for customer loans. The comparable figures at the close of 1939 were \$8,646,000,000 for total loans and \$4,378,000,000 for customer loans.

#### NEW FINANCING

Security financing in 1940 totalled \$2,943,859,803, which was moderately higher than the 1939 amount of \$2,545,067,441. Of the total securities offered, \$1,647,414,608 was for refunding purposes as compared with \$2,943,859,803 for refunding in 1939, and the remainder for various other purposes, of which the most important was the acquisition of new capital. More than half the new capital was sought by government units, with corporate financing of this kind remaining low.

The large volume of bond refunding was a major element in the new financing as it involved the refinancing of securities which had been issued in the last five years to refund issues that were outstanding at that time.

Of the total volume of securities issued during the past year, utilities continued to take the leadership with a total of \$816,033,648 as compared with \$787,694,033 in 1939. Industrial offerings of stocks and bonds amounted to \$720,157,774, a marked increase over the value of \$441,653,056 for the previous year. Railroad financing showed a definite increase from \$112,067,000 in 1939 to \$305,324,500 in 1940, with equipment issues being most prominent. State and municipal bond issues amounted to \$992,500,216 in the past year as against \$1,073,115,808 in 1939. There were no issues of foreign stocks and bonds in 1940, while in the previous year the total was only \$52,750,000.

#### GOLD MOVEMENTS

The movement of gold to the United States continued in an unprecedented volume during the past year as a result of foreign capital seeking safety in this country, foreign purchases of war equipment, and the payment of trade



balances with the United States. Large shipments of gold were received from the British Empire countries for the purchase of war materials. Canada, in particular, was the largest shipper of the metal to the United States, but the gold from Canada included metal from nearly all parts of the British Empire as well as from France before her surrender.

According to the United States Department of Commerce, imports of gold for 1940 totalled \$4,749,467,000 as compared with \$3,574,659,000 in 1939 and \$1,979,458,000 in 1938. Exports of the metal for the year totalled \$4,994,000 as against \$508,000 in 1939. The monetary gold stock as reported by the Treasury Department at the close of 1940 totalled \$22,020,700,466 as compared with \$17,697,245,048 in 1939, a gain of \$4,323,455,418. In addition to the above holdings, it is estimated that foreign governments and central banks had \$1,807,673,000 of metal deposited in their own names in the Federal Reserve Banks as compared with \$1,163,004,000 in the previous year. It is estimated roughly that the United States now holds about 80 per cent of all the monetary gold in the world.

#### FOREIGN TRADE

The foreign trade of the United States recorded a new level for recent years in 1940, reflecting the heavy movement of war materials to Great Britain and an increase in general trade with the Latin American countries. The practical elimination of German-controlled Europe as a market for United States products had less effect on trade than had been expected, due to the large increase in shipments of war materials to British Empire countries. The decrease in imports of manufactured goods was more than offset by the heavy United States purchases of strategic and other important crude products imported from areas outside of Europe.

According to the reports of the Department of Commerce, United States exports, including re-exports, amounted to \$4,021,564,000 in 1940, the largest since 1929 and 27 per cent above the 1939 total of \$3,177,176,000. Expansion was mostly in materials required for war purposes. Exports of agricultural products showed a sharp decline, primarily due to the fact that the United Kingdom, the largest market for agricultural products, restricted imports of this type.

The value of general imports for the year was \$2,625,445,000, a gain of \$307,364,000 or 13 per cent above the 1939 value of \$2,318,081,000. The imports were concentrated heavily in crude rubber, raw silk, nickel, tin, antimony, and ferro-alloy metals.

The excess of exports over imports, or the favourable balance of trade, for 1940 was the highest since 1921 and amounted to \$1,396,119,000 as compared with \$859,095,000 in 1939.

#### RAILWAY SITUATION

During the past year the American railroads benefited by an exceptionally high level of rail freight traffic, although revenue from passenger traffic was disappointing due to the fact that the railroads had to return to the two-cent-a-mile rate for one-way coach traffic which prevailed prior to July, 1938. In addition to benefiting from increased industrial activity, the railroads received increased freight as a result of the rearmament program, which required the large movement of materials and armed forces to various sections of the country.

The Association of American Railroads places net operating income for Class I railroads for 1940 at \$682,118,487 and net income at \$140,000,000 after charges, as compared with a net operating income of \$588,829,007 and a net income of \$93,181,534 in 1939. The earnings for 1940 were 2.61 per cent on property investment as compared with 2.26 per cent in the previous year.

## CAR LOADINGS

The Association of American Railroads reports that total revenue freight car loadings during 1940 were 36,353,609 cars as against 33,911,498 cars in 1939, a gain of 7.2 per cent. Gains were recorded over 1939 for all groups with the exception of less-than-carlot merchandise, grains and live stock.

The following table shows total shipments of commodities in 1940 as compared with 1939:—

	1940 Cars	1939 Cars	Per Cent Inc. or Dec.
Miscellaneous freight . . . . .	14,856,174	13,750,675	+ 8.0
Merchandise, l.c.l. . . . .	7,679,410	7,830,935	— 1.9
Coal . . . . .	6,804,069	6,082,520	+ 11.9
Grain and products . . . . .	1,834,154	1,940,064	— 5.5
Live stock . . . . .	685,498	694,246	— 1.3
Forest products . . . . .	1,800,201	1,584,336	+ 13.6
Ore . . . . .	2,145,375	1,615,036	+ 32.8
Coke . . . . .	548,728	413,686	+ 32.6
Total . . . . .	36,353,609	33,911,498	+ 7.2

## BANK CLEARINGS

The exchange of cheques at the principal clearing houses of the United States in 1940 totalled \$311,978,207,097, a gain of 2.5 per cent over the 1939 amount of \$304,323,157,503.

The clearings in New York City for 1940 aggregated \$160,878,038,408, a decrease of 3 per cent from the 1939 total of \$165,913,543,429. Cheque clearings for the country outside of New York City were \$151,100,168,689 in 1940 as compared with \$138,409,614,074 in the previous year, a gain of 9.2 per cent.

Cheque clearings for the whole of the country and for New York City from 1936 to 1940 are as follows:—

	Total for United States	New York
1936 . . . . .	\$326,823,807,959	\$193,548,797,427
1937 . . . . .	333,257,707,239	186,739,777,521
1938 . . . . .	293,254,325,108	165,155,897,296
1939 . . . . .	304,323,157,503	165,913,543,429
1940 . . . . .	311,978,207,097	160,878,038,408

## OUTLOOK FOR 1941

The forces which created the all-time production record in 1940 will continue to function with increased acceleration in 1941. With new facilities for armament and war needs coming into production, a new record for business volume and industrial output may be looked for. Labour will demand, and doubtless obtain, higher wages, while rising taxes are almost inevitable.

The \$25,000,000,000 national defence program definitely assures a further rise in business, and the release of such vast sums must, in time, affect every phase of American life and activity.

Both heavy and light industries are seeking to increase production. The last time this occurred was in 1929 when the stock market boom stimulated production. The reverse is likely to occur in 1941 when production increases and expanding employment may probably draw reluctant stock prices upwards with them.

In all probability the United States will experience a highly specialized expansion or war boom in the next two years, which will be unlike any previous period of prosperity. Munitions, iron and steel, and shipbuilding areas will be prosperous, while agricultural areas with their former export markets gone will be in a less satisfactory condition.

It is presumptuous, however, to forecast the future which is so completely dependent on the duration and outcome of the war.

## CHANGES IN CATTLE PRICES IN THE UNITED KINGDOM

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, January 16, 1941.—Two announcements have recently been made by the Ministry of Food designed to increase the supply of home-produced beef during the present period of short meat supplies in the United Kingdom.

Beginning January 13, 1941, the period for which imported steers, heifers and cow-heifers must be in the United Kingdom before qualifying for the scheduled prices will be reduced from three months to two months.

From Monday, January 13, until March 8 a bonus of 2s. per live cwt. will be paid over the prices previously published for steers, heifers and cow-heifers estimated to kill out at 53 to 55 per cent of their live weight, i.e. cattle of the B grades. A bonus of 1s. per live cwt. will be paid for fat steers, heifers and cow-heifers estimated to kill out at 56 per cent, i.e. cattle of the A minus grade.

## AGREEMENT ON AUSTRALIAN CANNED FRUITS PACK IN 1940-41

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, January 7, 1941.—Under an agreement reached for disposal of the 1940-41 pack of canned peaches, apricots and pears, Australian canners and the Federal Government share financial responsibility for the exportable surplus.

Estimated production of these canned fruits in the 1940-41 season is about 2,700,000 cases containing two dozen 30-ounce tins or the equivalent. Of this quantity about 1,300,000 cases will be available for export. Canners, it is understood, will accept responsibility for 500,000 cases of the surplus, and the Government for the remaining 900,000. The surplus will be stored and shipped as space is available. Because of the shipping position prospects of moving the fruit overseas are uncertain, but this agreement will enable the entire crop of canning fruit to be processed this season. Growers will thus be fully protected, and will be able to dispose of their fruit through normal channels.

The canning industry will undertake the marketing of the pack to all available markets, including the domestic market, and will be responsible also for all export orders to the United Kingdom up to September 30, 1941.

## CANNING FRUIT PRICES

Prices that growers will receive for fruit for canning in the 1941 season have been announced. The price that canners will pay growers for apricots is £A13 a ton; for cling peaches, clear centres, £A11 a ton; for other cling peaches, £A10 a ton; and for Bartlett pears £A11 a ton.

The price of apricots is the same as that of last season, but prices of peaches and pears show a reduction of £A1 a ton. It is understood that, in terms of the Government's proposals, all fruit suitable for canning will be accepted by canners.



## AUSTRALIAN LIVE-STOCK OUTLOOK

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, December 9, 1940.—Exceptional drought in many sections of the country has been the most important factor affecting the present position and outlook for live stock in Australia. Not a single division in Victoria, New South Wales, Tasmania or South Australia and only two out of the thirteen divisions in Western Australia were able to record normal rainfall during the first ten months of 1940. Although somewhat better in Queensland, there are many sections there also where the rainfall has been light. In many cases the fall has been so far below normal that the position is serious.

In the sections most affected hand feeding has become essential and, although the stock have stood up to the adverse conditions remarkably well, they are now losing condition, and deterioration is likely to be rapid in some areas in the absence of an early break.

The following table gives the latest figures of Australian live-stock population:—

	Total for Year ended Dec. 31, 1938	Estimate 1939
Sheep . . . . .	111,057,832	116,144,401
Cattle . . . . .	12,861,781	13,012,110
Horses . . . . .	1,741,056	1,698,103
Pigs . . . . .	1,154,052	1,272,287

### SALES TO THE UNITED KINGDOM

The report on Australian live-stock conditions which was supplied by this office last year outlined the terms of the contract with the United Kingdom for the purchase of Australian meat. Since the United Kingdom is the only important export outlet for Australian chilled and frozen meats, the outlook for this trade depends almost entirely on conditions in that country. All Britain's normal sources of supply of beef and sheep meats have so far remained open to her, so that there has been no need for extra imports except in so far as a scarcity of imported animal foodstuffs prevented Britain from maintaining her own flocks and herds, which normally furnish about one-half of her meat requirements. Rationing may also be expected to reduce consumption. At the same time the present season has been so bad in many fat-lamb areas of Australia that supplies are certain to be smaller, while shipping difficulties may complicate the export beef position.

As regards pig meats, the position is somewhat different. Denmark and other European countries normally supplied about half of Britain's total consumption. Canada is in a position to increase her shipments, but the particular advantages of pork as a wartime food should develop possibilities for increased Australian exports as well. Unfortunately Australia is only in a position to ship frozen pork or the hard salted bacon types which are not popular on the United Kingdom market.

The initial contract with the United Kingdom, which expired on September 30, 1940, called for the shipment of 240,000 tons of all classes of meat. The Ministry of Food, however, agreed to take more than the specified quantity if such was required, and 260,000 tons were exported. Under the new contract, which is for twelve months to September 30, 1941, the Ministry has agreed to purchase 249,000 tons, including 225,000 tons of beef, veal, mutton, lamb and porker pig meat and 24,000 tons of baconers. As during the last year, extra quantities will be accepted for export if needed by the United Kingdom and if the requisite shipping space is available. In addition, representations made to the Ministry for inclusion in the contract of a further 7,500 tons of boneless beef and veal and 5,000 tons of baconer pork were successful. The follow-

ing classes of meat which were included in the 1939-40 contract have been excluded in the current one:—

Lambs under 20 pounds or over 50 pounds, lamb or mutton saddles with flank on; wether or ewe mutton over 72 pounds; cow beef, second quality, crops or hinds; beef fillets; beef heartbreads; all first and second quality ox and cow beef cuts with bone in, i.e., buttocks, rumps, loins ex flank, rumps and loins ex flank; sets of beef ribs; baconer legs of pork, long cut; rib backs; flitches. All ewe mutton, other than maiden ewes, all third quality wethers and maiden ewes and all mutton cuts, except where necessary to clear stocks in store on August 10, 1940.

Lambs over 50 pounds are to be shipped as hoggets and invoiced at the price for hoggets previously scheduled as tegs.

Shipments of third quality cow beef, bull beef and veal (boned) were prohibited until it was decided to include the additional 7,500 tons of boneless beef and veal in the contract.

#### PRICES

While prices for the main classifications are on the same basis as the 1939-40 contract, a number of variations have been made in respect of offals, meat cuts and pork sides. In such cases, the new rates (all in sterling and on a pound basis, with those that previously applied shown in parentheses) are as follows:—

Beef tripe, 1d. (1½d.); beef neckbreads, 4½d. (6d.); veal neckbreads, 5d. (6½d.); beef livers, 5½d. (6d.); lamb saddles, ex flank, 3½d. (not in last contract); mutton saddles, ex flank, 2½d. (not in last contract); pork sides, headless, second quality, 6½d. (6¾d.); baconer sides, headless, second quality, scalded, 6½d. (6¾d.); ditto, singed, 6½d. (6¾d.); Wiltshire sides, first quality, scalded, 6½d. (6¾d.); ditto, singed, 6½d. (6¾d.); Wiltshire sides, second quality, scalded, 6½d. (6¾d.); ditto, singed, 6½d. (6¾d.); middles, second quality, 6½d. (7d.); pig livers in pails, 6½d. (5½d.).

It has been recommended that a premium of 3/16d. per pound be asked for singed baconer carcasses, sides and pieces instead of 1/16d. as at present.

#### OTHER CHANGES IN THE CONTRACT

Other changes in the terms of the contract, as compared with those of 1939-40, include:—

*Piece Mutton and Lamb.*—Legs to be cut to include the precrucial gland and to be described as “haunches.”

*Cow Hinds and Crops.*—All second-quality cow quarter beef to be boned and shipped as: boneless butts and rumps ex fillet; boneless middles ex fillet; boneless crops; and to be included in the category “piece beef—bone out.” (The prices of these will be announced when an agreement has been reached.)

*Piece Beef.*—All first- and second-quality “bone-in” cuts, namely, buttocks, rumps, loins ex flank, rump and loins ex flank and sets of ribs are in future to be boned out and shipped under one or other of the following categories (bone out): topsides; silversides; thick flanks; sirloin butts; stripped loins; sets of ribs (four ribs only). A price is being sought for boneless sets of ribs; all the other categories are to be invoiced at the prices provided for under the 1939-40 contract. A price is also being sought for the shanks resulting from the conversion of buttocks into boneless topsides, silversides and thick flanks. (Later.—The sterling f.o.b. price for boneless sets of ribs has been determined as follows: Ox, first and second quality, 3½d. per pound; cow, first quality, 3½d. per pound. The price for shanks has been fixed at 4d. per pound.)

*Calf Livers.*—Livers weighing 5 pounds or more must be invoiced as beef livers.

*Pork Carcasses.*—The weight is to be limited as follows: porkers, 60 to 110 pounds; baconers, 111 to 180 pounds; choppers, over 180 pounds.

#### EXPORT MARKET SITUATION

The drought has had a more damaging effect on the fat lamb position than on the wool trade. It is nevertheless remarkable how the sheep manage to find sufficient food, and even put on weight, from land which appears almost completely devoid of nourishment.

Meat works in Victoria and New South Wales have lately been treating lambs for export, nearly to capacity, the sole limiting factor being the difficulty

of obtaining sufficient skilled men to man all chains. Enlistments and the attraction of permanent employment in munition and other factories engaged on war work account for the shortage.

The peak of the season has been passed in South and Western Australia, although killings will continue till the end of the year.

Buying rates have been steady. Toward the end of November, exporters operating in the Sydney and Melbourne yards were paying 5½d. to 5¾d. per pound bare meat for average grade light lambs, up to 6¼d. for choice pens, 5¼d. to 5½d. for heavies and 5d. to 5¼d. for seconds. In Adelaide and Perth about 5½d. was offered for best light suckers and 5d. for seconds.

Mutton has been quiet because of a ban on the export of low-grade mutton to the United Kingdom, although the widespread drought and the consequent shortage of feed invariably leads to increased killings as owners seek to reduce the size of their flocks and herds.

Statistics covering the fiscal year (twelve months ended June 30, 1940) show that 47,566,000 pounds of mutton were exported from Australia as compared with 28,258,000 pounds in the preceding year. Exports of lamb in these years amounted to 200,969,000 pounds and 157,338,000 pounds, respectively.

The 1940 beef season is practically finished. Freezer quality cattle are scarce, and the majority of those available are for interstate trade. Exports for the year ended June 30, 1940, amounted to 260,962,000 pounds of frozen beef as compared with 200,799,000 pounds in the preceding year, and 12,787,000 pounds of chilled beef as compared with 59,963,000 the year before.

Queensland is the centre of Australia's beef trade, and fortunately the drought has not been as severe there as in other areas. The conditions in the trade are generally satisfactory, and the outlook is promising. In addition to the frozen beef trade with the United Kingdom, which is governed by the agreement with that country, the demand for canned meats for the Australian forces, both here and abroad, has been large and steady. Recent prices for light bullocks were around 34s. to 37s. per 100 pounds and 31s. to 33s. for seconds.

The outlook for all meats for export to the United Kingdom is favourable and, providing satisfactory shipping arrangements can be secured, the coming season should be a good one. The demand should be maintained, especially since it is the policy of the United Kingdom to avoid slaughtering domestic animals so as to maintain as much "live" stock as possible within the country as protection against a tightening of the blockade.

### WOOL

Australia is the world's largest wool-producing country, and in 1939-40 accounted for 1,120,000,000 pounds, or 28 per cent of world output. The quality varies from year to year, depending on a number of conditions, but in the world's markets Australian wool always ranks high. Returns on the current season's clip indicate that the quality is inferior to that of the previous year, and returns to date are materially below the guaranteed price of 13<sup>7</sup>/<sub>16</sub>d. per pound, although the quality of the clips invariably improves as the season progresses.

The outlook is satisfactory. The agreed price provides a suitable margin of profit, and a regular outlet is assured. The United States rearmament program has created a heavy demand for woollen piece-goods for uniforms, and the ban on imported wools for this purpose has been removed. Although the European market has been lost to the British textile industry, exports to other markets have increased, while the decision of all free countries, particularly the United States, to lay in stocks of strategic materials has resulted in a steady demand and firm prices.



## LIVE-STOCK AND MEAT INDUSTRY OF NEW ZEALAND

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Auckland, December 10, 1940.—By 1940, the closing year of New Zealand's first century as a British Colony and Dominion, the live-stock population of New Zealand numbered over 31,000,000 sheep and lambs, 4,500,000 cattle, and 700,000 pigs. The care and development of these great flocks and herds and their transformation into meat and other products, together with agricultural farming, represents the country's major industry and the one upon which the prosperity of the nation is vitally dependent. Singularly endowed with excellent grazing lands and enjoying an equable climate, New Zealand has become the greatest surplus food producer and exporter in the world. Her agricultural and pastoral produce account for over 90 per cent of her total exports, and her total exports amount to well over 75 per cent of her national production. She is to-day the world's largest exporter of frozen mutton and lamb and of cheese, the second exporter of butter, and the fourth producer of wool.

The secret of New Zealand's great fertility is primarily climate, plus the important aid of fertilizers. Nearly 4,000,000 acres of grass land are top-dressed annually.

### 1939-40 SEASON

Despite rather unfavourable weather conditions, the 1939-40 season was a fairly remunerative one for the New Zealand farmers, the quantity of primary produce shipped abroad being greater than that of the previous season. Prices for wool, meat and dairy produce were at a higher level and, although these higher prices were not translated on the whole into increased net returns to the farmers, they more than covered the increased costs of farming operations.

The outstanding feature in connection with the past season's meat export operations was the purchase by the New Zealand Government, on behalf of the British Government, of the Dominion's output of meat and wool. Under the arrangement that has been in effect since war was declared, the mother country purchased approximately 300,000 tons of frozen meat from production of the season ended September 30, 1940, and from carryover of the previous season. She also purchased the production of woolly sheepskins, hides, and tallow, with limitations which permitted shipments to certain established markets in other countries, notably woolly sheepskins for Canada and the United States and tallow for India.

The sale of the foregoing products to the British Government involved their requisitioning from producers by the New Zealand Government and the appointment of controls and administration committees. Reports received from various quarters indicate that these organizations are operating smoothly and effectively. For the most part shipments have left New Zealand with peace-time regularity. The risk of financial loss due to enemy action at sea is taken by the British Government, since payment is made before the products are shipped.

### LIVE-STOCK POPULATION

The numbers of horses, cattle, pigs and sheep in the Dominion as of January 31, 1940, with comparative figures for the same date in 1939 and 1938, are shown in the following table:—

	1938	1939	1940
Horses . . . . .	278,167	274,803	271,581
Cattle . . . . .	4,506,082	4,564,948	4,533,032
Pigs . . . . .	756,466	683,463	714,001
Sheep . . . . .	32,378,774	31,897,091	31,050,850*
Breeding ewes . . . . .	19,663,866	19,960,299	19,676,458*

\* At April 30.

The chief feature of the foregoing returns is the decrease in sheep and breeding ewes. This is largely attributed to abnormally heavy killings, occasioned by an increased demand, and the fact that feed was short during the early months of 1940.

The importance of sheep farming in the national economy of New Zealand is shown in the contribution to total production, which varied from 23 per cent to 35 per cent during the 1928-38 period. Until 1938 New Zealand flocks of sheep, with few variations, were on the increase and in that year numbered 32,378,774. Since then the totals have fallen each year, and a point has now been reached where something must be done to reverse this trend. To do this in the face of demands for increased production of lamb and mutton presents a difficult problem. A solution favoured is that of increasing weights by surplus feeding and thereby reducing the killings. The alternative is to cut down production. The position at present would be more serious if it had not been for a satisfactory lambing season.

Of the 4,533,032 cattle in New Zealand at January 31, 1940, dairy cows (dry and in milk) accounted for 1,850,071, a figure which is 22,726 less than in January, 1939. Thus the downward trend in the population of dairy cows that has prevailed for some years continues. Beef cattle herds are being fairly well maintained despite heavier killings.

The pig herds of the Dominion increased during the 10-year period 1927-1936 by more than 50 per cent, reaching a total of 808,000 in the last year of that period. Since then they have decreased each year until 1940, when the trend was reversed. Owing to the cutting off of European supplies, the demand from the United Kingdom now is for baconers rather than porkers, and the New Zealand Government is giving every encouragement to producers to meet this situation as fully as possible. The reduced numbers of pigs in the Dominion as compared with the position in 1936 when the population stood at over 800,000, and the efforts of the farmers to increase production in other directions combine to present a formidable task in achieving greater bacon production. Nevertheless producers have responded well to the Food Ministry's requirements for heavy-weight carcasses of the baconer type.

#### KILLINGS FOR EXPORT

Figures recently issued by the New Zealand Meat Producers' Board reveal the heavy killings that took place up to August, 1940. At April 30 the sheep flocks stood at 31,050,850, representing a decrease of 846,241 from the number on April 30, 1939. Additional killings of sheep and lambs during May, June and July amounted to 350,000, making the total decrease in flocks up to August 1 approximately 1,200,000. Meat of all classes killed for export up to August 1 was 12,767,994 freight carcasses, an increase over the previous season of 1,948,202 or about 18 per cent. Lambs killed totalled 10,381,595, an increase of 639,092 or 6 per cent. Mutton killings rose by about 24 per cent, from 2,598,725 to 3,226,419 carcasses. There was also a 71 per cent increase in beef killings, from 401,886 to 687,058 quarters. Although the combined killings of porkers and baconers dropped by 113,421, the slaughter of baconers increased by over 70 per cent, and the season's production in actual weight was slightly ahead of 1939.

The 1939-40 production for export was an all-time record, reaching the total of over 12,700,000 carcasses and exceeding the previous year's record total by some 2,000,000 carcasses. Since all beef is exported frozen under the Imperial purchase arrangement, previous exports of chilled beef are grouped with frozen for comparative purposes.

The Chairman of the Meat Producers' Board stated in his annual address in September that "against this production (12,700,000 carcasses) the Marketing

Department has paid to the industry £16,000,000 (N.Z.) on meat already shipped. A further £3,500,000 will be paid on meat now in store, making a total of £19,500,000. The industry has never before had an income of this figure in its history."

### EXPORTS

Figures showing New Zealand exports of meats during the first nine months of 1940 and the corresponding period of 1939 are as follows:—

	1939 Cwt.	1940 Cwt.
Frozen—		
Beef . . . . .	552,157	939,002
Lamb . . . . .	2,672,131	2,753,254
Mutton . . . . .	763,273	1,314,194
Pork . . . . .	411,514	406,188
Veal . . . . .	121,296	35,640
Other—	Lb.	Lb.
Bacon and hams . . . . .	49,190	54,466
	Cwt.	Cwt.
Salted . . . . .	295	217
Potted and tinned . . . . .	61,213	66,843
	Lb.	Lb.
Extract . . . . .	90,224	199,865
Sausage casings . . . . .	3,949,138	4,704,099

Particulars giving the direction of this trade are not available. So far as frozen meats are concerned, however, practically all went to the United Kingdom.

Live animals were exported during the same periods, as follows:—

	1939 No.	1940 No.
Sheep . . . . .	11,505	16,304
Horses . . . . .	141	92

### PROSPECTS FOR THE 1940-41 SEASON

As far as general conditions in New Zealand are concerned, the prospects for next season are reported as favourable. The good weather experienced throughout most of the winter, particularly in the North Island, has promoted a better-than-average lamb production. In the North Island the lambing season was exceptionally good, but in the South Island the results were only fair. The only local factor—one of considerable importance—likely to prevent New Zealand production next season from establishing a new record is the serious concern felt for the depleted condition of the Dominion's sheep flocks. While the record killings last season are satisfactory from one point of view, it is generally recognized that the inroads made into New Zealand's sheep flocks are bound to have an adverse effect on next season's production. The killing of nearly 2,000,000 ewes, equal to an increase of approximately 67 per cent over the figure for last year, will almost certainly mean a reduction in the breeding ewe flocks and, as the carry-over of lambs will also be small, indications point to next year's output of both mutton and lamb showing a decline, especially if any serious attempt is made to build up the flocks.

Reports from Britain describing the normal functioning of meat handling and storage facilities there are reassuring, but recent shipping losses are causing some anxiety in the industry. Doubt is expressed that the regular and adequate shipping schedules that New Zealand has enjoyed to date can be maintained during the current season. This development is one which may result in the re-orientation of the meat trade in favour of sources of supply closer to Britain, and New Zealanders are viewing this possibility with serious concern. Any sizeable restriction in purchases by the United Kingdom will seriously affect New Zealand's industry, which is already suffering under



increased operating costs. Much therefore depends on the maintenance of shipping facilities. Against a reduction in quantities to be shipped, of course, is the fact that flocks in New Zealand are about 1,200,000 sheep less than last year.

No details are yet available regarding the terms for the second year of the meat agreement between the British and New Zealand Governments, although indications have been given that increases in quantities are unlikely. Likewise there is little likelihood of any increase in prices in view of the decline in values of so many primary products as a result of restricted markets. Last season's contract prices, in pence per pound New Zealand currency f.o.b. New Zealand, were:—

Lamb—Prime down cross 2's . . . . .	7½d.
8's . . . . .	7¼d.
4's . . . . .	7¾d.
Tegs . . . . .	6½d.
Prime Canterbury quality . . . . .	6¼d. to 7¼d.
Prime crossbred . . . . .	6½d. to 7¼d.
Prime wethers and maiden ewes . . . . .	3¼d. to 5½d.
Ewes—64 lb. and under . . . . .	3¾d.
Over 64 lbs. . . . .	2½d.
Cow beef—Hinds . . . . .	4d.
Fores . . . . .	3d.
Baconer cuts—	
Wiltshire sides—	
First quality singed . . . . .	8¾d.
First quality unsinged . . . . .	8¾d.

The only information regarding next year's purchases so far available is in respect of pork. It is reported that the British Government has stipulated that the weights of baconers shall be 111-180 pounds instead of 101-180 pounds, but no mention has been made as to any additional quantities that may be required. With the exception of lamb, stocks up to the middle of September compared favourably with last year's. Although stocks of beef were greater, the increase was less than the increase in killings. Mutton stocks were less despite the very large increase in killings, and pork stocks were about the same. The increase in lamb stocks was greater by more than the increase in killings.

## TRADE OF BARBADOS IN 1939

G. A. NEWMAN, ACTING TRADE COMMISSIONER

Port of Spain, January 27, 1941.—Following the heaviest rainfall in many years, a record sugar crop was produced in Barbados in 1939. It amounted to 156,443 tons, 27,000 tons higher than in any previous year. It was also 40,000 tons more than the quota allotted under the International Sugar Agreement, but, as a result of the outbreak of war in the autumn of 1939, all exportable sugar was disposed of.

A total of 128,594 tons of sugar was exported from Barbados in 1939 as compared with 80,912 tons in 1938, and shipments of molasses amounted to 10,661,212 wine gallons as compared with 8,569,054 gallons in the previous year. As almost the whole of Barbados' export trade consists of sugar and its by-products, the value of domestic exports in 1939 rose to £1,885,944 as compared with £1,218,379 in 1938, an increase of £667,565. According to value, Canada took 51.9 per cent of the 1939 exports; the United Kingdom, 40.7 per cent; the United States, 3.8 per cent; and Newfoundland, 2.2 per cent.

Barbados also carries on a modest but steady re-export trade with the smaller neighbouring islands, which amounted to £143,047 in 1939 (£135,576 in 1938).

Imports, excluding coin and bullion, were valued at £2,370,775, an increase of £300,331 over the 1938 import value of £2,070,444.

## IMPORTS

Of the total imports, excluding coin and bullion, valued at £2,370,775, 36·3 per cent consisted of food and drink, 50·3 per cent of manufactured articles and 10·7 per cent of raw materials. Although there was a direct increase in all classifications, there was a drop of 2·8 per cent in the proportion of manufactured products imported as compared with the figure for the previous year, and an increase of 0·6 per cent in foodstuffs.

As might be expected with wartime conditions prevailing during the last three months of the year, there were increases in imports from Canada and the United States, and a decline in imports from the United Kingdom and continental countries. The war period covered by the 1939 figures, however, was too brief to afford an adequate idea of the extent of the diversion of trade, mainly to Canada, that subsequently developed. The distribution of imports in 1939 and 1938, according to main sources of supply, was as follows:—

	1938		1939	
	Value	Percentage of Total	Value	Percentage of Total
Total imports . . . . .	£2,070,444	....	£2,370,775	....
United Kingdom . . . . .	843,085	40.7	838,430	35.4
Canada . . . . .	271,968	13.1	416,843	17.6
United States . . . . .	243,731	11.8	377,382	15.9
Other British Empire countries	314,421	15.2	359,799	15.2
Other foreign countries . . . . .	342,763	16.8	334,441	14.1

## IMPORTS FROM THE UNITED KINGDOM

The values of the chief imports from the United Kingdom in 1939, with comparative values for 1938 within parentheses, were as follows:—

Cotton piece-goods, £68,760 (£71,669); machinery of all kinds, £62,011 (£64,694); cotton manufactures, £60,796 (£50,482); motor cars and trucks, £43,271 (£38,227); iron and steel manufactures, £41,871 (£37,272); flour, £38,574 (£49,974); sulphate of ammonia, £38,297 (£42,702); leather boots and shoes, £32,315 (£25,361); cigars and cigarettes, £31,706 (£15,432); common soap, £21,057 (£19,972); beer, ale and stout in bulk, £20,208 (£14,645); cement, £18,778 (£11,534); hardware, £17,043 (£17,799); electrical apparatus, £15,973 (£22,475); hats and bonnets, £13,698 (£11,353); margarine, £13,693 (£10,665); apparel, £13,574 (£17,118); paper: writing, wrapping, etc., £10,615 (£11,273); paints and colours, £9,940 (£9,229).

## IMPORTS FROM THE UNITED STATES

The main imports from the United States in 1939 according to value, with comparative figures for 1938 within parentheses, were as follows:—

Oilmeal and oilcake, £44,821 (£30,777); manures, other than sulphate of ammonia, £42,571 (£3,606); pitch pine, £36,629 (£20,824); cornmeal, £16,451 (£13,021); hardware, £13,787 (£11,705); machinery, £12,898 (£6,064); iron and steel manufactures, £12,947 (£4,399); cotton piece-goods, £11,627 (£5,339); salted pork, £9,999 (£4,338); apparel, £9,343 (£6,389); car parts, £8,703 (£5,104); shooks and staves, £8,713 (£8,824); electrical apparatus, £7,973 (£8,953); medicines and drugs, £7,960 (£7,234); lubricating oils, £6,685 (£3,376); unstemmed leaf tobacco, £5,909 (£4,070); manufactured tobacco, £4,142 (£2,771).

## IMPORTS FROM OTHER FOREIGN COUNTRIES

Imports from foreign countries, with the exception of South American, have now completely ceased, and the following chief imports from foreign sources were received, with that exception, prior to September, 1939:—

*Argentina*.—Salted beef, £22,131 (£18,031); fresh beef, £11,500 (£6,886); hams, £4,579 (£6,759); bran and pollards, £10,429 (£8,031); corn, £13,778 (£11,270); cornmeal, £5,624 (£3,451).

*France*.—Butter, £18,629 (£15,521).

*Germany*.—Potash, £30,628 (£42,562).

*Holland*.—Condensed milk, £36,882 (£12,827); cocoa, £2,385 (£5,094); beans and peas, £5,041 (£7,208).

*Japan*.—Apparel, £18,406 (£13,880).

## TRADE WITH CANADA

Barbados' total export trade to Canada in 1939 was valued at £979,907, showing a marked increase over the previous year's value of £507,438. Molasses exports rose by nearly 2,000,000 gallons to a total of 7,121,523 gallons valued at £421,947 as compared with 5,199,337 gallons valued at £345,417 in 1938. Sugar exports to Canada nearly trebled in value, amounting to 56,032 tons valued at £557,168 as against the previous year's low figures of 18,943 tons and £160,104.

War conditions during the last three months of 1939 encouraged a satisfactory rise of £144,875 in the value of imports from Canada, the total value being £416,843 as compared with £271,968 in 1938.

Notable increases occurred in the import of the following products, the comparative import values of which in 1939 and 1938 (within parentheses) were as follows:—

Flour, £55,806 (£35,064); oilmeal, £13,770 (£6,718); canned fish, £7,569 (£4,576); Douglas fir, undressed, £10,814 (£3,580); Douglas fir, dressed, £20,623 (£7,709); lumber, other kinds, £47,189 (£21,155); shingles, £19,169 (£4,520); sugar machinery, £17,493 (£925); and rubber tires and tubes, £8,291 (£3,277).

The only decrease of any importance was in motor cars, whose import value declined from £18,588 in 1938 to £9,970 in 1939.

## DETAILS OF IMPORTS OF INTEREST TO CANADA

Following are details of 1939 imports of particular interest to Canadian exporters, figures for 1938 being shown within parentheses:—

*Beer and Ale in Bottles.*—Total, 112,185 gals., £16,828 (88,511 gals., £13,277): United Kingdom, £14,907; United States, £416; Holland, £1,197; Canada, £24 (£34).

*Biscuits, Unsweetened in Tins.*—Total, 46,579 lbs., £2,329 (42,089 lbs., £2,104): United Kingdom, £216; United States, £176; Canada, £1,854 (£1,562).

*Butter and Butter Substitutes.*—Total, 621,325 lbs., £40,386 (643,999 lbs., £40,250): United Kingdom, £6,614; Eire, £6,118; New Zealand, £5,710; Argentina, £109; France, £18,629; Canada, £2,784 (£70).

*Oilmeal and Oilcake.*—Total, 12,049,192 lbs., £60,246 (9,568,177 lbs., £38,272): United States, £44,821; Argentina, £1,655; Canada, £13,770 (£6,718).

*Cattle and Animal Foods, All Other Kinds.*—Total, 1,889,972 lbs., £4,725 (1,509,897 lbs., £3,775): Trinidad, £1,962; United States, £1,491; Canada, £1,098 (£344).

*Cheese.*—Total, 141,527 lbs., £5,897 (108,196 lbs., £4,057): Canada, £5,319 (£3,555).

*Coffee, Prepared.*—Total, 27,929 lbs., £1,745 (27,076 lbs., £1,692): United States £1,010; Canada, £256 (£270).

*Confectionery.*—Total, £6,386 (£5,669): United Kingdom, £4,458; Canada, £1,645 (£1,063).

*Fish, Canned or Preserved.*—Total, £12,029 (£6,784): United Kingdom, £278; United States, £1,487; Japan, £2,605; Canada, £7,569 (£4,576).

*Fish, Dried, Salted or Smoked.*—Total, 42,637 qtls., £49,032 (50,039 qtls., £55,043): United Kingdom, £230; Newfoundland, £42,307; Canada, £6,412 (£6,384).

*Fish, Pickled, Other than Trout and Salmon.*—Total, 1,092 brls., £1,365 (702 brls., £878): Newfoundland, £775; Canada, £590 (£789).

*Fish, Pickled, Trout and Salmon.*—Total, 272 brls., £952 (284 brls., £923): Newfoundland, £773; Canada, £179 (£166).

*Fruits, Canned and Bottled.*—Total, £2,066 (£1,587): United Kingdom, £347; United States, £1,299; Canada, £93 (£42).

*Fresh Apples.*—Total, 599 brls., £1,198 (687 brls., £1,374): New Zealand, £80; United States, £280; Canada, £838 (£826).

*Flour, Wheat or Rye.*—Total, 91,544 bags, £100,698 (85,352 bags, £93,887): United Kingdom, £38,521; United States, £6,360; Canada, £55,806 (£35,064).

*Maize or Cornmeal.*—Total, 28,236 bags, £22,589 (25,264 bags, £20,212): United States, £16,451; Argentina, £5,624; Canada, £506 (£2,848).

*Beans and Peas.*—Total, 1,912,870 lbs., £11,557 (2,178,623 lbs., £13,162): United Kingdom, £437; Trinidad, £489; United States, £2,872; Germany, £961; Holland, £5,041; Hungary, £802; Canada, £16 (nil).



*Farinaceous Preparations, Other Kinds.*—Total, £6,394 (£5,600): United Kingdom, £988; British Malaya, £849; United States, £925; Canada, £3,622 (£2,740).

*Hay.*—Total, 315,727 lbs., £1,104 (197,320 lbs., £690): United Kingdom, £10; Canada, £1,092 (£690).

*Jams, Jellies and Marmalades.*—Total, £1,333 (£1,630): United Kingdom, £1,089; Canada, £137 (£25).

*Lard and Lard Substitutes.*—Total, 374,613 lbs., £8,241 (391,691 lbs., £7,834): United Kingdom, £6,316; United States, £621; Canada, £1,140 (£404).

*Bacon and Hams.*—Total, 385,735 lbs., £19,287 (310,173 lbs., £15,509): United Kingdom, £3,912; United States, £4,478; Argentina, £4,579; Brazil, £1,363; Denmark, £1,117; Uruguay, £1,406; Canada, £1,756 (£222).

*Pork, Salted.*—Total, 2,404,751 lbs., £42,083 (1,878,325 lbs., £35,689): United Kingdom, £56; United States, £9,999; Argentina, £2,090; Canada, £29,783 (£28,363).

*Milk, Condensed or Otherwise Preserved.*—Total, 2,599,311 lbs., £38,990 (1,767,260 lbs., £17,672): United Kingdom, £44; Holland, £36,882; Canada, £159 (£128).

*Pickles, Sauces and Condiments.*—Total, £2,763 (£2,025): United Kingdom, £1,567; Canada, £676 (£364).

*Provisions, Unenumerated.*—Total, £10,358 (£8,104): United Kingdom, £4,828; United States, £3,448; Canada, £1,800 (£1,264).

*Whisky.*—Total, 7,018 gals., £7,018 (6,661 gals., £6,661): United Kingdom, £6,398; Canada, £620 (£90).

*Tea.*—Total, 182,670 lbs., £13,700 (128,896 lbs., £8,057): United Kingdom, £1,036; Ceylon, £5,942; India, £6,378; Canada, £173 (£156).

*Vegetables, Canned, Preserved, Etc.*—Total, 70,141 lbs., £1,754 (36,990 lbs., £924): United Kingdom, £202; United States, £251; Canada, £1,234 (£489).

*Onions.*—Total, 2,176,316 lbs., £10,881 (2,143,244 lbs., £9,644): Cyprus, £1,398; United States, £697; Argentina, £2,136; Egypt, £1,678; Madeira, £2,413; Canada £2,068 (£1,230).

*Potatoes.*—Total, 3,252,722 lbs., £13,010 (3,601,987 lbs., £11,706): United Kingdom, £949; United States, £1,220; Holland, £3,064; Canada, £7,430 (£7,703).

*Wood and Timber, Unmanufactured Hardwood, Headings.*—Total, £3,878 (£3,986): United States, £3,548; Canada, £330 (£436).

*Hoops, Coiled or Straight.*—Total, £1,927 (£1,009): United States, £420; France, £1,205; Canada, £302 (£41).

*Douglas Fir, Undressed.*—Total, 1,235,903 ft., £10,814 (572,736 ft., £3,580): all from Canada.

*Douglas Fir, Wholly or Partly Dressed.*—Total, 2,357,169 ft., £20,623 (1,233,465 ft., £7,709): all from Canada.

*Other Kinds, Undressed, Except Hardwood.*—Total, 5,407,585 ft., £48,669 (2,718,158 ft., £21,745): United States, £908; Canada, £47,189 (£21,155).

*Other Kinds, Dressed, except Hardwood.*—Total, 191,112 ft., £1,672 (171,859 ft., £1,332): Canada, £1,600 (£1,258).

*Shingles.*—Total number, 19,690,456. £19,690 (9,112,344, £6,834): Canada, £19,169 (£4,520).

*Staves and Shooks.*—Total, £20,882 (£25,606): United States, £8,713; Canada, £12,169 (£16,782).

*Socks and Stockings, First Cost not Exceeding 1s. 6d. Per Pair.*—Total, 232,925 pairs, £5,188 (160,741 pairs, £4,192): United Kingdom, £2,093; Hongkong, £1,804; Canada, £1,278 (£677).

*Socks and Stockings, 1s. 6d. to 2s. Per Pair.*—Total, 15,499 pairs, £1,564 (15,514 pairs, £1,587): United Kingdom, £164; Canada, £1,377 (£1,301).

*Socks and Stockings, First Cost Exceeding 2s. Per Pair.*—Total, 14,482 pairs, £1,957 (9,012 pairs, £1,302): Canada, £1,878 (£874).

*Apparel, Other Kinds.*—Total, £49,467 (£45,069): United Kingdom, £13,574; Hongkong, £3,254; United States, £9,343; Japan, £18,406; Canada, £3,592 (£2,951).

*Cordage.*—Total, 148,394 lbs., £3,709 (£150,061 lbs., £3,001): United Kingdom, £1,958; Canada, £1,566 (£1,088).

*Twine.*—Total, £1,729 (£1,847): United Kingdom, £1,233; Canada, £239 (£283).

*Cotton Piece-goods, First Cost not Exceeding 1s. Per Yard.*—Total, 3,580,553 sq. yds., £79,682 (3,199,887 sq. yds., £74,484): United Kingdom, £64,526; United States, £10,842; Canada, £2,738 (£460).

*Other Cotton Manufactures, except Apparel.*—Total, £67,705 (£58,667): United Kingdom, £60,796; United States, £2,364; Japan, £3,576; Canada, £572 (£1,547).

*Artificial Silk Piece-goods, First Cost not Exceeding 1s. Per Yard.*—Total, 445,971 sq. yds., £14,929 (557,708 sq. yds., £19,633): United Kingdom, £6,052; United States, £1,351; Hungary, £1,086; Italy, £1,146; Japan, £1,688; Switzerland, £962; Canada, £778 (nil).

*Artificial Silk Piece-goods, First Cost Exceeding 1s. Per Yard.*—Total, 96,803 sq. yds., £7,465 (104,916 sq. yds., £7,823): United Kingdom, £4,042; United States, £954; Canada, £781 (£15).

*"Other" Electrical Appliances.*—Total, £22,927 (£30,578): United Kingdom, £15,421; United States, £5,651; Canada, £696 (£1,072).

*Furniture of Metal.*—Total, £10,994 (£14,818): United Kingdom, £2,682; United States, £3,749; Canada, £3,745 (£2,323).

*Metals and Metal Manufactures, All Other Kinds.*—Total, £22,374 (£19,686): United Kingdom, £13,441; United States, £5,982; Germany, £1,582; Canada, £568 (£649).

*Implements and Tools, Agricultural.*—Total, £2,644 (£1,625): United Kingdom, £2,127; United States, £361; Canada, £97 (£54).

*Machinery and Apparatus for Sugar.*—Total, £72,523 (£59,823): United Kingdom, £45,576; United States, £9,305; Canada, £17,493 (£925).

*Iron and Steel Bars, Hoops and Rods.*—Total, £12,681 (£3,781): United Kingdom, £3,372; United States, £6,983; Canada, £2,249 (£588).

*Iron and Steel Nails and Rivets.*—Total, £7,837 (£4,622): United Kingdom, £661; United States, £1,307; Canada, £5,710 (£4,041).

*Wire and Wire Fencing.*—Total, £4,987 (£2,848): United Kingdom, £4,141; United States, £341; Canada, £390 (£438).

*All Other Iron and Steel Manufactures.*—Total, £29,600 (£29,519): United Kingdom, £24,977; United States, £1,369; Canada, £1,639 (£2,032).

*Photographic Appliances and Accessories, Other than Films.*—Total, £1,777 (£1,611): United Kingdom, £439; United States, £815; Canada, £475 (£244).

*Plate and Plated Ware.*—Total, £1,153 (£1,728): United Kingdom, £556; Canada, £490 (£232).

*Typewriters and Parts.*—Total £1,146 (£1,690): United Kingdom, £83; United States, £785; Canada, £278 (£235).

*Motor Cars.*—Total number, 317, £48,046 (382, £54,996): United Kingdom, £34,593; United States, £2,806; Germany, £677; Canada, £9,970 (£18,588).

*Motor Trucks and Vans.*—Total number, 125, £20,596 (77, £12,420): United Kingdom, £8,678; United States, £2,272; Canada, £9,646 (£5,817).

*Motor Car, Truck and Van Parts.*—Total, £15,209 (£12,949): United Kingdom, £3,643; United States, £8,703; Canada, £2,789 (£2,668).

*Advertising Matter of no Commercial Value.*—Total, £2,699 (£2,896): United Kingdom, £514; United States, £999; Canada, £1,037 (£1,012).

*Bags, Travelling Trunks and Valises.*—Total, £3,593 (£2,412): United Kingdom, £1,478; United States, £1,472; Canada, £37 (£11).

*Blacking and Polishes.*—Total, £3,778 (£3,568): United Kingdom, £2,270; United States, £1,250; Canada, £246 (£62).

*Boots, Shoes and Slippers, Wholly or Partly of Rubber, Balata or Gutta Percha.*—Total, 231,971 pairs, £14,360 (115,647 pairs, £7,501): United Kingdom, £517; Hongkong, £7,498; India, £2,718; Canada, £3,292 (£1,944).

*Leather Boots and Shoes.*—Total, 150,954 pairs, £37,457 (106,752 pairs, £27,687): United Kingdom, £32,315; United States, £268; Czecho-Slovakia, £897; Canada, £3,734 (£1,088).

*Brooms and Brushes.*—Total, £3,555 (£3,100): United Kingdom, £2,043; United States, £410; Canada, £816 (£659).

*Cement.*—Total, 37,861 brls., £22,716 (22,162 brls., £13,297): United Kingdom, £18,778; Canada, £3,916 (£1,748).

*Glass Bottles.*—Total, £2,560 (£2,067): United Kingdom, £342; United States, £829; Canada, £1,072 (£325).

*Lamps, Chimneys and Table Glassware.*—Total, £3,042 (£3,136): United Kingdom, £549; United States, £572; Germany, £1,397; Canada, £18 (£29).

*Glass Manufactures, Other Kinds.*—Total, £1,771 (£2,106): United Kingdom, £723; Germany, £381; Canada, £359 (£22).

*Rubber Tires and Tubes for Motor Vehicles.*—Total, £15,990 (£8,795): United Kingdom, £5,296; United States, £669; Czecho-Slovakia, £1,733; Canada, £8,291 (£3,277).

*Rubber Manufactures, Other Kinds.*—Total, £2,724 (£1,905): United Kingdom, £842; United States, £853; Canada, £958 (£681).

*Leather.*—Total, 58,521 lbs., £4,297 (46,343 lbs., £3,391): United Kingdom, £1,615; United States, £503; Costa Rica, £976; Ecuador, £616; Canada, £135 (£302).

*Medicines and Drugs.*—Total, £22,962 (£23,953): United Kingdom, £10,712; United States, £7,960; Canada, £3,129 (£2,273).

*Paint Oils.*—Total, 39,275 gals., £4,909 (26,888 gals., £3,361): United Kingdom, £3,281; Canada, £1,148 (nil).

*Paints and Colours.*—Total, 657,835 lbs., £16,446 (561,754 lbs., £14,043): United Kingdom, £9,910; United States, £1,407; Canada, £4,967 (£3,221).

*Polishes and Varnishes.*—Total, 3,439 gals., £1,719 (3,115 gals., £1,557): United Kingdom, £734; United States, £250; Canada, £735 (£591).

*Printing Paper.*—Total, £6,410 (£6,078): United Kingdom, £1,325; Norway, £2,684; Canada, £1,750 (£673).

*Writing Paper.*—Total, £2,550 (£2,920): United Kingdom, £2,089; Canada, £32 (£53).

*Wrapping Paper.*—Total, £10,231 (£11,421): United Kingdom, £844; United States, £1,895; Belgium, £1,715; Poland, £2,501; Sweden, £943; Canada, £1,091 (£2,344).

*Paper, Other Kinds.*—Total, £11,273 (£9,834): United Kingdom, £6,104; United States, £1,528; Belgium, £1,571; Canada, £1,718 (£668).

*Perfumery.*—Total, £10,672 (£9,064): United Kingdom, £3,136; United States, £6,568; Canada, £746 (£275).

*Fancy Soap.*—Total, £4,445 (£3,257): United Kingdom, £2,064; United States, £1,041; Canada, £1,236 (£725).

*Stationery, Other than Paper.*—Total, £3,952 (£4,726): United Kingdom, £2,535; United States, £806; Canada, £478 (£441).

*Wooden Manufactures.*—Total, £698 (£18): Canada, £669 (£13).

*Wooden Furniture.*—Total, £9,258 (£6,789): United Kingdom, £1,722; United States, £2,482; Canada, £4,267 (£1,525).

*Wooden Manufactures, Other Kinds.*—Total, £7,645 (£7,356): United Kingdom, £1,226; United States, £3,166; Canada, £2,165 (£1,877).

*Goods Manufactured, Unenumerated.*—Total, £13,132 (£11,171): United Kingdom, £5,881; United States, £2,536; Germany, £656; Canada, £2,605 (£1,026).

## FIRST OFFICIAL ESTIMATE OF ARGENTINE GRAIN CROPS, 1940-41

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes that the very unfavourable weather conditions—prolonged heavy rains—during the second half of December have caused some damage, in various proportions, to all the grain crops except corn. The total loss is estimated at about 10 per cent of the first official estimate (published in *Commercial Intelligence Journal* No. 1927: January 4, 1941). The decrease in the production of each grain is estimated at 8 per cent for wheat, 17 per cent for linseed, 20 per cent for oats, 7 per cent for barley, 6 per cent for rye, and 13 per cent for millet.

## POINTS FOR EXPORTERS TO COSTA RICA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, January 18, 1941.—With the exception of Salvador, Costa Rica is the smallest of the Central American republics, covering an area of only 23,000 square miles. The country is largely mountainous, but there is considerable fertile and productive land, especially one section known as the "Meseta Central," the elevation of which ranges from 3,000 to 5,000 feet. The soil is of volcanic origin and is especially suitable for the production of coffee, fruits and vegetables. The climate of Costa Rica is tropical, but temperatures vary considerably because of the differences in altitude.

The population of Costa Rica is approximately 615,000. San José, the capital, situated at an elevation of 3,800 feet, has a population of approximately 65,000. No other city or town has a population in excess of 10,000.

Most of the inhabitants are of European descent, the Spanish type being definitely marked. In the region of Port Limón there are a number of West Indians who were brought in to work on the banana plantations. While the standard of living of the upper class is high, the purchasing power and wants of the great mass of the population are limited. The language of the country is Spanish, but English is spoken freely in the business community, especially in San José.

Costa Rica is primarily an agricultural country. Coffee-growing is the principal industry, followed by banana cultivation. Corn, beans and a few



other crops are produced commercially, and there is some cattle raising. Rubber is also produced in small quantities, and the forests provide rosewood, cedar and mahogany. Gold is produced in several districts.

Manufacturing has not reached a high stage of development. The industries are mostly small enterprises catering to local requirements.

Costa Rica offers a relatively small market, but there are many suppliers catering for the limited business offering. Exporters to this country are advised to arrange for exclusive agencies when establishing connections. The market is not large enough to warrant more than one agent being appointed, and if the right one is established in the beginning and support is given him, it will prove more profitable in the long run than to attempt to sell the same article under different labels and through more than one agent.

### DOCUMENTATION

No consular invoice is necessary for shipments to Costa Rica, but six copies of each commercial invoice are required. When claiming goods at the Customs House, the "original commercial invoice of the vendor" must be presented in triplicate, together with the bill-of-lading.

The "original invoice of the vendor" must show the following information and fulfil the following requirements:—

1. Name and full address of the vendor.
2. Place and date of the shipment.
3. Name and full address of the consignee.
4. Port of shipment.
5. Port of arrival.
6. Name of steamer and date of departure.
7. Marks, numbers, quantity and class of packages.
8. Detailed specifications of the contents of each package.
9. Net weight of each article and gross weight of each package.
10. Detailed value of each article and total amount of expenses up to the port of entry.
11. Country of origin of the merchandise.
12. Declaration that above information is correct and signed by the vendor or his representative.

In addition to the above, the invoice must show the number of units in the case of the following articles and of such additional articles as may be added from time to time:—

Aeroplanes	Steam boilers	Motors of all classes
Radio apparatus	Beds of all classes	Motorcycles
Arms of all classes	Wagons and carriages	Kettles
Auto trucks	Railroad and tramway cars	Furniture, household
Bicycles	Typewriters	Scales
Billiards	Photographic apparatus	Tractors
Hydraulic pumps	Cinematographs	Iron tanks
Locomotives	Kitchen stoves	Adding machines
Rubber tires	Lavatories	Windmills
Calculating machines	Fire extinguishers	Pianos and pianolas
Sewing machines	Filters	Electric irons
Boats	Phonographs	Wooden tanks
Iron safes	Forges	Velocipedes
Cash registers	Motor cars	Cane mills

Particular attention is directed to a further requirement, which stipulates that the invoice must be made out in Spanish, and the numerical data must be in the decimal metric system. A space or column must be left for annotations.

With regard to Item 12 of the invoice requirements, as listed above, formerly all that was necessary was that the invoice be signed by the vendor or his representative. This item has recently been changed, and now every invoice must bear a signed sworn declaration to the effect that the prices and articles shown on the invoices are correct. If the invoice covers more than one page,

this declaration is placed on the last page. No set form of declaration is required; a simple form is as follows:—

“Declaramos bajo juramento que los precios y demas detalles de esta factura son correctos”.

Firmado.....  
(Signature of manufacturer or his representative)

The translation of the foregoing declaration is: “We (or I) declare under oath that the prices and other details in this invoice are correct.”

In order to avoid error in the Spanish translation of the description of the goods enumerated in the invoice, exporters should make certain that the agent, in taking orders from the purchaser, obtains from him a correct description of the goods in Spanish. There are so many different classes of goods in groups such as “cottons,” “hardware,” “automobile accessories,” etc., that it is best to place the onus for supplying the correct description for the invoice on the purchaser, and so avoid disputes and claims after the goods arrive.

It is also important that a statement of the percentages of artificial silk in a material be inserted in the invoice in order to avoid classification as 100 per cent artificial silk. These details, however, will be supplied with the order, and great care must be taken to ensure that all instructions are complied with.

As stated above, six copies of the invoice should be made out. Four copies must accompany the shipping documents; the Customs requires three, and the importer one. It is usually advisable to forward two additional copies of the invoice and a non-negotiable copy of the bill-of-lading by air mail to the agent. If the importer is not in the same town as the agent, one copy of the invoice should be sent to the agent, and one copy, with the non-negotiable bill-of-lading, to the importer in addition to the set of four sent separately as noted above.

Sometimes, when more than one importer receives goods on the same bill-of-lading (which is frequently done in order to save draft commission and collection charges and for small orders), the documents are made out in the agent's name, and collection is made through the agent.

#### DUTIES AND PACKING

As all duties are paid on *gross weight*, packing must be made as light as possible. Failure to do this increases the landed cost, and may render the price non-competitive, especially where the margin of profit is slight, and repeat orders will not be forthcoming.

#### EXCHANGE CONTROL

Costa Rica, like other countries that depend greatly on the sale of coffee for their supply of foreign exchange, has been experiencing some difficulty in obtaining sufficient to meet promptly the requirements of its import trade and, as a result, has been forced to institute a measure of exchange control. Up to the present, however, Costa Rica has not found it necessary to require that “import permits” be obtained before goods are permitted to enter the country. Nevertheless, the law requires that all orders sent abroad be registered with the “Junta de Control de Importacion” (Control Board), who in turn give the order a “registration number,” and this registration number *must be inserted without fail* in each invoice.

Many firms in Costa Rica object to paying collection and other charges, and it is suggested that these be included in the original quotations where possible; thus subsequent discussion of this point will be avoided.

A “street” market for exchange is permitted to operate in Costa Rica, and at present the buying rate of “official” exchange is 5.61 colones to the United States dollar as against 5.70 colones for the “street” market.

### AGENT'S COMMISSION

Commission to an agent is usually paid on the f.o.b. price, but the whole question of commission, the amount to be paid, when it is paid, etc., is one for arrangement, frequently depending on the commodity concerned and the work required for its introduction to the trade.

### TERMS OF SALE

The Costa Rican market has been educated to credit terms; but it is suggested that, unless there is satisfactory evidence that a firm's finances are sound and the agent advises that in order to obtain business credit terms should be extended, sales be made on the basis of sight draft. As stated above, Costa Rica is experiencing some difficulty as regards foreign exchange, and as a result it is seldom possible to sell on the basis of irrevocable letter of credit, but sometimes, if sufficient inducement is offered in the form of a discount, such terms can be arranged.

### SHIPPING SERVICES

Shipments to Costa Rica are made, according to the location of the supplier, either to Port Limón on the Atlantic or Puntarenas on the Pacific. Shipping services at present are somewhat uncertain, but an exporter can reasonably count on one ship every two weeks out of New York to Port Limón and one boat a month out of Vancouver to Puntarenas.

### USE OF AIR MAIL

In order that documents may reach the port before the goods being shipped, it is recommended that they be sent by air mail. The use of air mail is also recommended in business dealings, as at present there is only one boat every two weeks out of New York to Costa Rica, and a delay in the receipt of essential information by the agent may result in the loss of business.

## TARIFF CHANGES AND TRADE REGULATIONS

### Union of South Africa

#### DOCUMENTATION FOR TARIFF PREFERENCE

In reply to an inquiry respecting cases where Canadian firms are unable to obtain a through bill of lading to accompany goods entitled to tariff preference under the South African tariff, Mr. D. de Waal Meyer, accredited representative of the Union of South Africa at Ottawa, has received a cablegram stating that the Department of Customs and Excise is prepared to regard as direct shipments from Canada to the Union of South Africa, and thus give preference to, goods shipped from Canada as a result of a specific order placed by a Union of South Africa importer. In the absence of through bills of lading, the South African Customs require production of copies of indents and invoices as well as copies of factory despatch notes or stamped copies of railroad notes, which should bear the Union of South Africa merchant's marks and numbers appearing on all cases. Exporters are reminded that the usual certificates of value and origin should also be furnished.

### Brazil

#### NEW TARIFF IN FORCE

Mr. L. S. Glass, Canadian Trade Commissioner in Rio de Janeiro, cables that a new customs tariff was brought into force in Brazil on February 1, 1941. The new tariff consists of (1) general tariff applicable to products of countries with which Brazil has no commercial agreement; (2) minimum tariff, applicable



to products of countries which extend their minimum tariff to Brazilian products; (3) some conventional rates lower than the minimum, which are accorded to countries having unconditional most-favoured-nation agreements with Brazil and exchanging mutual tariff advantages and reductions with that country. All conventional rates, and otherwise the minimum tariff, have been extended to Canada.

The Trade Commissioner reports that the new Brazilian tariff makes practically no changes in the rates of duty other than that in the new rates fractions of one-tenth of one milreis have been removed. It is expected that a copy of the new tariff will shortly be received by the Department of Trade and Commerce, Ottawa.

### **Nyasaland**

#### **EXCHANGE FOR IMPORTS FROM CANADA**

With reference to the article on import control in *Commercial Intelligence Journal* No. 1930 (January 25, 1941), page 102, Mr. J. H. English, Canadian Trade Commissioner in Johannesburg, reports that advice has been received from the Controller of Customs, Limbe, Nyasaland, that dollar exchange is made available for essential imports from Canada, but not for non-essential imports obtainable from the sterling area.

## **EXCHANGE CONDITIONS IN FOREIGN COUNTRIES**

### **Uruguay**

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, January 20, 1941.—Uruguay has had a system of exchange and import control for almost ten years. The system has been revised at various times, but the present system has been in effect since before the outbreak of the war. An official Exchange Control Board controls the purchase and sale of all foreign exchange in Uruguay.

Imported merchandise cannot be cleared through the Uruguayan Customs unless the consignee can present an official import permit obtained from the Uruguayan Exchange Control Board. The import permit must be obtained in respect of each import transaction. The class of goods and the value of goods, with a reasonable tolerance, is stipulated in the permit, and also the expiring date of the permit. The import permit, after it has been stamped by the Customs, showing that the particular goods have been cleared, is itself the authorization to buy the corresponding foreign exchange. Goods should not be shipped unless there is assurance that the import permit has been obtained by the prospective purchaser in Uruguay.

#### **IMPORT CONTROL POLICY**

Uruguay has to budget her available foreign exchange resources. The exchange on hand is made available to prospective importers with due consideration for the degree of necessity of effecting the purchase of the particular class of goods abroad and for the amount of exchange that has been provided through purchases of goods from Uruguay by the country of origin.

The Uruguayan Exchange Control Board announces each month the quota of exchange, if any, that will be made available during the succeeding month for each country selling to Uruguay. In addition, the Board specifies the particular goods or classes of goods that will be admitted within the quota figure. As previously stated, the amount of the quota and the classes of goods specified within the quota depend on the amount of exchange on hand or in prospect from each country concerned. Only when absolutely essential goods

are concerned, as basic raw materials, and there are no alternative sources of supply better situated from an exchange point of view, do the quotas granted exceed the amount of exchange provided by the particular country.

Canada has a favourable balance of payments with Uruguay and the goods that have been specified as admissible within the quotas granted during the past year have included newsprint, farm implements, seed potatoes, lead pigs, fresh apples—a small seasonal quota—and calcium carbide. These are the main items and it is extremely difficult to get permits for manufactured goods.

### OUTLOOK

The principal export from Uruguay is wool. This item represents in excess of 50 per cent of the total annual exports of the country. The United States is the principal wool buyer now; thus American firms have been getting a larger share of the import quotas. In addition, the Export-Import Bank has extended a dollar credit to Uruguay. The other items of export are mainly canned meats, frozen beef and flaxseed. Uruguay has been seriously affected by the loss of export markets arising from the war. There seems to be little prospect of any improvement in her position in the near future.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 10, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 10, 1941, and for the week ending Monday, February 3, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 3	Nominal Quotations in Montreal Week ending Feb. 10	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Portugal . . . . .	Escudo	.0442	.0445	.0445	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2630	.2645	.2645	3½
Switzerland . . . . .	Franc	.1930	.2577	.2577	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2279	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2627	.2614	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4388	.4413	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0584	.0581	—
Hongkong . . . . .	Dollar	.....	.2634	.2645	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
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Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

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### Secretary, Canadian Manufacturers Association—

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Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
General Agency.....	28	Lisbon, Portugal.....	Agency.
Tapes for Slack Fasteners.....	29	Mexico City, Mexico.....	Agency.
Corsets and Brassieres.....	30	Punta Arenas, Chile.....	Agency.
Woollen Socks.....	31	Mexico City, Mexico.....	Agency.
Textiles: Cotton, Silk, Wool....	32-34	Mexico City, Mexico.....	Agency.
Upholstery Tapestry.....	35	Mexico City, Mexico.....	Agency.
Plugs, Lamps, Footlights, etc....	36	Mexico City, Mexico.....	Agency.
Electric Motors.....	37	Adelaide, Australia.....	Purchase and Agency.



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

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J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

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*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

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*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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# COMMERCIAL INTELLIGENCE JOURNAL

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Ottawa, February 22, 1941

No. 1934



Rum Vats in the Government Rum Warehouses at Kingston, Jamaica

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER





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Vol. LXIV

Ottawa, February 22, 1941

No. 1934

## TRADE AND ECONOMIC CONDITIONS IN JAMAICA IN 1940

F. W. FRASER, CANADIAN TRADE COMMISSIONER

### I

Kingston, February 8, 1941.—During the calendar year 1939 the total c.i.f. value of Jamaica's import trade, amounting to £6,506,689, slightly exceeded that for 1938 and was the highest figure reached since 1929, when the total stood at £7,027,013. A slight decline occurred in 1940, due chiefly to the shrinkage of the community's purchasing capacity ensuing from the considerable damage done to banana cultivations by the hurricane that occurred in November, 1939.

### IMPORTS, JANUARY TO SEPTEMBER

Excluding parcels post, the total c.i.f. value of imports in the nine months ending September 30, 1940, was £4,562,600, as compared with £4,586,991 in the corresponding period of the preceding year. The decline disclosed by these figures would have been appreciably greater but for considerable imports by the Jamaica Government and the military authorities for purposes connected with the war. The value of goods brought in by the Government was £325,850 in the calendar year 1939 and £331,881 in the period January to September, 1940.

Another contributing factor was the rise in commodity values due to war-time conditions. Examination of the quantities of the principal items imported during these two periods discloses in most cases a decline which, in the case of some items, was compensated for by increased value. Kerosene oil, motor-vehicle tires, fresh meat and rice were the only large items for which larger volumes of imports are recorded for 1940 than for 1939. It is probable, however, that there was an increase in the quantity of medicines, chiefly patent, as their total value shows an excess of about £10,000 over that for 1939, and it is unlikely that this was wholly due to a rise in price. The same may be said of wearing apparel. (Quantity statistics are not available in respect of these articles.)

The principal items in which a decline in imports is shown are as follows:—

	Jan.-Sept., 1939	Jan.-Sept., 1940
Boots and shoes . . . . .	Doz. Pr. 130,655	96,735
Motor cars . . . . .	No. 862	348
Motor trucks . . . . .	No. 308	109
Tubes for motor vehicles . . . . .	No. 21,752	12,150
Coal . . . . .	Ton 138,764	58,676
Cotton piece-goods . . . . .	Yd. 22,790,959	13,654,428
Fish, dried salted . . . . .	Lb. 12,230,109	8,328,912
Flour . . . . .	Bags of 196 Lb. 332,278	325,352
Meat, canned . . . . .	Lb. 552,329	361,985
Milk, condensed . . . . .	Lb. 7,035,088	4,372,106
Oil, fuel . . . . .	Ton 122,769	106,917
Oil, lubricating . . . . .	Gal. 255,405	243,613
Gasoline . . . . .	Gal. 6,212,213	5,398,110
Pure silk piece-goods . . . . .	Yd. 24,082	7,850
Artificial silk piece-goods . . . . .	Yd. 4,216,598	1,909,452
Soap, laundry . . . . .	Lb. 3,329,609	3,250,997
Soap, other . . . . .	Lb. 531,201	527,588
Lumber, all kinds . . . . .	Ft. 11,790,373	9,054,092
Woollen piece-goods . . . . .	Yd. 396,655	165,311

Imports of cement were almost the same in both periods; the 1939 total was 143,032 bags of 375 pounds and that for 1940 was 143,369 bags.

Imports of kerosene oil, motor-vehicle tires, fresh meat and rice, which increased in the 1940 period, were as follows; the heavy increase recorded for rice is due to the development of a re-export trade with the Bahamas:—

		Jan.-Sept., 1939	Jan.-Sept., 1940
Kerosene oil . . . . .	Gal.	1,188,437	1,480,944
Motor-vehicle tires . . . . .	No.	20,233	23,847
Meat, fresh . . . . .	Lb.	147,182	233,935
Rice . . . . .	Lb.	31,508,188	42,209,081

Imports of laundry soap have appreciably declined during recent years, following the development of a local manufacturing industry producing this article. For the same reason imports of condensed milk will gradually fall; however, the recession in 1940, as shown above, was not due to this cause but resulted from abnormally heavy purchasing in the preceding year. Under arrangement with the Jamaica Government the Nestle organization have established a condensery in the island, and it is planned to supply the entire domestic demand from this source. This cannot be achieved for a few years, however, as a sufficiently large output of fresh milk is not yet available.

Flour is, of course, a staple item of Jamaica's import trade. The value of imports of this product in the calendar year 1939 (£439,134) represented 6·9 per cent of the total value of imports and exceeded that of any other commodity brought in. The Government's policy of trade control tends, however, to curtail imports of this foodstuff, and it is possible that some reduction will also ensue from the increased output of locally grown products, such as corn, peas and beans, which is being undertaken as a war measure.

The distribution and consumption of so-called "counter" (i.e. low-grade) flour steadily declined during the last three months of 1940 and there has been a further decline during January of this year, the volume now being less than half that of four months ago. The same is true of cornmeal, now made in Jamaica in a government-owned and operated factory. These abnormal decreases are attributed to the throwing upon the local market of large quantities of bananas, which are sold at low prices and often given away, as the United Kingdom market has been closed.

#### DISTRIBUTION OF IMPORT TRADE

Of the total value of imports into Jamaica in the calendar year 1939, amounting to £6,506,689, the United Kingdom is credited with £1,847,731 (29·1 per cent); the United States with £1,471,285 (23·2 per cent); Canada, £1,121,108 (17·7 per cent); Trinidad, £357,724 (5·6 per cent); Holland, £191,109 (3·0 per cent); Newfoundland, £166,351 (2·6 per cent); Germany, £157,490 (2·5 per cent); Burma, £145,899 (2·3 per cent); Hongkong, £145,870 (2·3 per cent); Dutch West Indies, £120,438 (1·9 per cent); and Australia, £112,741 (1·8 per cent). The percentage of imports from all British Empire countries was 64·2; in 1938 it was 65·6, in 1937, 67·4, and in 1936, 73. Since 1935, when it stood at 40·3, the United Kingdom's percentage has steadily decreased; in 1939 that of the United States slightly increased as compared with 1938, and the same was true of Canada's share.

Final figures of imports in 1940, the first calendar year throughout which war conditions have prevailed, are not yet available, but the total value is estimated at slightly over £6,000,000 as compared with £6,506,689 in 1939, a decrease of about £500,000. Quantitatively, except in regard to certain large items of food, a practically all-round decline occurred in 1940, and, therefore, but for the rise in commodity values the figure for that period would be less.



Foodstuffs were imported at about the same level as in 1939, and the chief items—flour, rice, fish, meats and milk—aggregated £1,021,500 as compared with £989,129 in 1939. The respective combined figures for apparel, boots and shoes and piece-goods are about £819,000 and £971,718.

Jamaica bought substantially more from British Empire and less from foreign countries in 1940 than in the previous year, the respective total values of such purchases from foreign countries having been approximately £1,400,000 and £2,269,043. Owing to the policy of trade control, which directs purchases to British Empire countries so far as possible, imports from the United Kingdom and Canada appreciably increased in 1940 over those in 1939.

### EXPORTS

In 1939 the total value of domestic exports from Jamaica was £4,629,561 f.o.b., of which the United Kingdom is credited with purchases amounting to £2,925,474 (63·19 per cent); Canada, £1,095,580 (23·67 per cent); United States, £260,209 (5·62 per cent); Germany, £95,320 (2·06 per cent); Holland, £89,653 (1·94 per cent); and New Zealand, £49,138 (1·06 per cent). The total value of exports for the nine months ending September 30, 1940, was £2,399,531, the large decrease shown having been due mainly to the reduction in banana output following the hurricane of November, 1939; but decreases also occurred in exports of cocoa, coconuts, coffee, grapefruit, oranges and sugar. On the other hand shipments of rum increased.

Bananas are the most valuable single item of Jamaica's export trade, representing in a normal year well over half the total value of exports, and, as illustrating the effect of the hurricane, shipments of this fruit in the nine months ending September 30, 1940, aggregated only 4,963,727 stems valued at £727,974 as compared with 16,482,332 stems worth £2,120,989 in the same period of 1939.

It was particularly unfortunate, therefore, that by reason of bad weather in the early part of 1940, which reduced the output of sugar, receipts from the export of this commodity during the first ten months of that year amounted to £847,860 as against £989,583 for the corresponding period of 1939.

As in the case of imports, precise statistics of the export trade in 1940 are not available. Total domestic exports are estimated at about £3,000,000 as compared with £4,629,561 in 1939. Bananas showed a decline in round figures from a total of 18,750,000 stems in that year to 7,500,000 in 1940. This brought a reduction in value of approximately £1,300,000 and accounted for about 80 per cent of the decrease in total export value. Except for fruit juices, hardwoods, tobacco and rum, all exports fell off in 1940.

Statistics of imports and exports by countries of origin and destination for 1940 are not available for publication. The outlook for 1941 as regards both purchases and sales appears none too promising.

### EFFECTS OF WAR

The war has, of course, exercised much influence on Jamaican trade. Immediately following its outbreak the Government appointed authorities to control imports, exports, exchange of money with other countries and wholesale as well as retail prices of most of the imported articles sold in Jamaica. The purpose of these measures was to prevent profiteering, speculation and the export of capital, and also to help conserve the Empire's holdings of non-sterling currencies, chiefly United States and Canadian dollars.

This policy was made stricter and more comprehensive as time passed, and the organization of the controlling bodies improved. The present position is that no person is allowed to import anything from any country unless he shall previously have obtained from the proper authority a permit to do so. Nor is

anyone allowed to acquire or to hold, whether in or outside Jamaica, certain specified currencies of which United States and Canadian dollars are the chief.

While, broadly speaking, the import trade policy followed by the Jamaican control authorities is to buy as much as possible from the sterling area, the importance of preserving the connections with Canada established before the war is fully recognized, and therefore every effort is made to disturb these as little as possible. Some restrictions are, however, in effect, notably in regard to certain luxury and semi-luxury articles which in some cases are not allowed to be imported from Canada if available from the sterling area, especially goods that the Dominion did not ship to Jamaica before the war.

Finance control is very strict, and no one is permitted to send or to take money out of Jamaica without having previously obtained a licence to do so. Licences are sparingly granted for purposes of travel, even for business or health, and not at all for pleasure. Jamaicans are not allowed to send their children to Canada for education in standards (primary and high school) equivalent to those available in the Colony. No educational permits are granted in respect of the United States, and they are issued in respect of Canada only for university or technical education.

However, the closure to Jamaican importers of the United States as a source of supply for all goods except those which are considered necessities and which cannot be obtained from the sterling area or from Canada and the impossibility of obtaining many articles from Britain by reason of the war have substantially increased Canada's sales to the Colony. Another favourable factor is the elimination of almost all European countries from competition in Jamaica's import trade. Before the war considerable purchases were made from Germany, Belgium, France and Holland, but these, of course, have ceased, and so far as manufactured goods are concerned Great Britain and Canada are now almost the sole sources of supply. Thus Jamaica's imports from the Dominion in 1940 have been substantially greater than in 1939, when the figure appreciably exceeded that for 1938.

## LOCAL PRODUCTION

### BANANAS

As stated above, the output of bananas, the country's principal product, appreciably declined in 1940 in consequence of a hurricane that occurred towards the close of 1939. Considerable recovery has since taken place, but as a result of plant disease and soil exhaustion it is unlikely that the high figures for 1937 and 1938, when total exports were respectively 26,955,489 and 23,811,337 stems, will ever again be reached. The 1939 figure was 18,771,628, and total deliveries in 1941 are not likely to exceed 8,000,000 stems. Prices in 1940 were higher than in 1939, ranging from 2s. 6d. to 4s. 6d. per "count bunch" as compared with 2s. 3d. to 3s. 6d. in 1939.

The banana industry has been placed in an unfavourable position by the British Government's recent decision to stop all imports of this fruit into the United Kingdom. Shortage of shipping and the demand for available vessels for more urgent purposes connected with the war are responsible for this step. In order to avert the serious consequences of total loss to the planters, the British Government undertook to buy the Jamaican output in the few weeks of 1940 remaining after exports to the United Kingdom had ceased and in 1941 up to an annual maximum of 12,000,000 "count bunches" at 3s. each and leave the fruit in Jamaica. (A "count bunch" is an artificial unit used by the companies in buying fruit and may actually consist of two or three small stems.) Shipments continue to be made to Canada and lately have been resumed, after several years, to the United States. Such fruit as cannot be

shipped is sold cheap in the Colony, and in some cases given away, and the British Government is credited with the total proceeds. Exports from January 1 to November 30, 1940, totalled 6,178,170 stems as compared with 18,586,812 stems in the corresponding period of 1939. In effect, the banana industry has been taken over by the Jamaica Government on the British Government's behalf, the former regulating and supervising the assembly of fruit for local consumption as well as for export, determining times of purchase and the grades to be cut.

#### SUGAR

The 1939-40 sugar crop totalled 99,321 long tons, and that for 1940-41 is estimated at 149,250 tons. No estimate is available for the 1941-42 crop. Adverse weather conditions retarded production in 1939-40, but, as the returns show, there was marked recovery in the following year. Production figures for rum in the two former periods are 13,528 puncheons (actual production) for 1939-40, and 12,000-13,000 puncheons (estimated) for 1940-41. No forecast has yet been made for 1941-42. A puncheon of rum contains from 100 to 110 imperial gallons. In recent times sugar-cane cultivation has been greatly expanded, with a resulting increase in the output of sugar. For some years prior to 1939 most of the export trade in sugar was done with Canada, but the British Government, having bought the 1939-40 and 1940-41 crops, the United Kingdom became the larger buyer. Substantial shipments were, however, made to Canada during 1940. The price paid by the British Government for the 1939-40 crop was £11 5s. per ton c.i.f. United Kingdom port and for that of 1940-41 it was £12 12s. 6d., both prices being rather better than the average returns from the 1938-39 crop.

### UNITED KINGDOM TIMBER PURCHASES AND STOCKS

FROM *The Statist* (LONDON) OF JANUARY 18, 1941

Restriction of timber imports was one of the early consequences of the war. With European supplies cut off, Empire sources are providing a large proportion of United Kingdom requirements; but even had exchange problems presented no difficulty—and with Canada, at least, that is not the case—and even had the shipping situation remained relatively easy, there would still have been a case for limiting our purchases of a bulky cargo needing to be freighted over great distances. One firm of timber brokers points out that the reduction in freight space for timber has in some instances proved a serious obstacle to the satisfactory fulfilment of contracts. Stocks are believed, however, to be ample for present needs, and, if the hoped-for improvement in the freight position materializes, an adequate flow of supplies will be maintained.

Purchases by the Timber Control of North American and European hardwood and flooring were confined during 1940 to woods essential for war purposes. Preference has been given to Empire timbers wherever possible, and home-grown hardwoods have been developed to a considerable extent, particularly in the supply of railway wagon planks. The same authority states that prices have risen considerably. F.o.b. mill values are higher on account of increased costs of production, but the principal cause of the advance is ocean freight rates, which in some cases are over 150 per cent higher than pre-war rates. Throughout the year substantial purchases of plywood were made by the Timber Controller, and supplies have reached this country with regularity. It is interesting to have the opinion expressed that the application of plywood to many urgent wartime needs is likely to lead to a widening of the uses of this material in peacetime conditions.



## AGRICULTURAL CONDITIONS IN IRELAND

FROM *The Economist* OF JANUARY 18, 1941

At the annual general meeting of the Agricultural Credit Corporation the Chairman stated that the amount borrowed by farmers during the year was less than in the previous year. Although agricultural prices have risen, the prevailing uncertainty makes borrowers hesitate to undertake new commitments and the demand for long-period loans for permanent improvements has diminished. This reluctance to borrow is partly the result of the shortage of materials on which the proceeds of loans would normally be spent. The Irish farmer's position has improved in strength and liquidity, and this improvement is shown in the repayment of the Corporation's advances. The season has been a good one for mixed dairy farming. Weather conditions favoured an abundant yield and a successful harvest, and those farmers who produced their own supplies of feeding-stuffs have enjoyed a prosperous year. The area to be compulsorily tilled in 1941 on all holdings of more than ten acres has been raised to one-fifth of the arable land.

The guaranteed prices of wheat and beet have been increased and there has been a general rise of agricultural prices. The index number of agricultural prices (1911-13 equals 100) rose from 126.8 in September, 1939, to 152.2 in October, 1940. This rise is one of the principal factors that have converted the passive balance of trade into an active balance for the first time in the history of Eire. In October exports exceeded imports by £45,641 and in November by £513,813. While this development is naturally regarded as favourable by all those who appreciate the importance of conserving the country's sterling resources, it is less welcome to the extent that it reflects a reduction of imports caused by the circumstances of the war at sea. Indeed the possibility of an acute shortage of imports of many essential commodities was mentioned by Mr. de Valera in his Christmas broadcast message, in which he described Eire as "the most effectively blockaded country in Europe."

## AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on February 17 with regard to the wheat and flour situation in Australia as follows:—

No information is available as to recent shipments of wheat from Australia. The 1940-41 harvest is now estimated at 83,300,000 bushels and Australian wheat cannot be considered a factor affecting world export movements. Political developments in the Pacific may decrease Australian interest in the wheat and flour export trade; but the immediate problem, so far as stocks are concerned, is to secure shipping space for wheat already sold. Prices fixed by the Australian Wheat Board are still as reported in November last. Useful rains, which fell throughout most of the wheat-growing areas, should ensure favourable conditions for seeding normal acreage for the ensuing season's crop.

Approximate prices per short ton authorized by the Australian Wheat Board for flour in 40-pound calico bags f.o.b. Melbourne for shipment to Shanghai are equivalent in Canadian currency to \$42.60; to Hongkong, \$39.70; to East Indies, Burma, Malaya, Asiatic territory and Mauritius, \$35.82; to Manila and Colombo, \$33. Flour in 150-pound sacks is \$1.32 per ton lower. Millers are unable to quote for export to Port Said without authorization from the Wheat Board, which fixes prices for that port at approximately 35 cents per ton higher than War Office tenders. Current Australian quotations Port Said are \$33.35 per ton.

## DAIRY PRODUCTION IN NEW ZEALAND: A CORRECTION

In a report under the title "Dairy Production in New Zealand", which appeared in *Commercial Intelligence Journal* No. 1932 (February 8, 1941), the prices shown (page 160) for butter and cheese under the agreement between New Zealand and the United Kingdom are erroneously stated to be in New Zealand currency. These prices are the prices in sterling. The prices in the two currencies per hundredweight of 112 pounds are as follows:—

	Sterling		New Zealand	
	s.	d.	s.	d.
<b>Creamery Butter—</b>				
Finest grade.. . . . .	112	6	139	11
First grade .. . . . .	111	3	138	4½
Second grade.. . . . .	107	6	133	8½
<b>Cheese—</b>				
Finest and first grade .. . . . .	64	3	79	11
Second grade.. . . . .	62	3	77	5

## SOUTH AFRICAN WHEAT AND FLOUR SITUATION

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, December 17, 1940.—The Union of South Africa is a pastoral rather than an agricultural country, and natural conditions do not favour the production of wheat. It is, however, the policy of the Government to foster all branches of agriculture by artificial measures, and wheat is among the beneficiaries. Its output has been stimulated by a state subsidization scheme that guarantees the producer a fixed price which is well above the world market level, and which compensates him for the high production costs. Concurrently imports of wheat and of wheat flour have been prohibited except under licence. As a result, production volume has increased to such an extent that a point has been reached that is close to self-sufficiency. During seasons when climatic conditions have been such that the harvest is particularly abundant, no supplies of bread grain are required from abroad. At other times certain imports are still needed, although the volume of these has become much less than in the period which terminated about 1930. Prior to that date wheat was imported from Canada into South Africa; a limited amount of business is still done, but the bulk of the grain for bread-making purposes is, when required, now imported from Australia on account of price considerations.

The price of wheat to the consumer in South African is determined by the stabilizing measures of the Government Control Scheme. It is thus purely artificial and not subject to the influence of external factors.

The total population of the Union, according to the census of 1936, was 9,589,898. This figure includes 6,596,689 natives, 219,691 Asiatics, 769,661 coloured and 2,003,857 Europeans. As the natives are not consumers of wheat, the actual extent of the market is much less than is indicated by the population aggregate, the use of wheat flour being largely confined to the white population, since the natives favour maize, which is the country's principal cereal crop.

### PRODUCING AREAS

The most important wheat-growing areas in the Union are situated in the southwestern part of the Cape Province. In the Malmesbury, Piquetberg and Caledon districts nearly all the available land is devoted to the cultivation of cereals. In the northeastern Cape and in the eastern Orange Free State the production of wheat fits into the farming system as a winter dry-land crop. In these areas the cost of production is generally lower than in the southwest Cape, but the crop is less certain. A considerable volume is produced under

irrigation in the Transvaal and in certain parts of the Cape Province, other than the southwestern section. A limited quantity is also grown under irrigation in the Orange Free State. Of the total 1940-41 production, 58·1 per cent was grown in the Cape, mostly in the southwestern area; 31·4 per cent in the Orange Free State; and 10·2 per cent in the Transvaal. Over the greater part of the Union sowing begins in April and continues until June. Harvesting takes place from October to December, the bulk of the threshing being done from November to February.

A special study made at the time of the 1934-35 agricultural census showed that out of 31,212 farms there were 15,057 producing less than 133 bushels each, 6,902 producing from 166 to 330 bushels, 1,660 producing from 1,666 to 2,222 bushels, and 1,004 farms producing more than 2,222 bushels.

According to the agricultural census of 1938-39, the total area sown with wheat was 2,028,352 acres, and the total area harvested was 1,856,776 acres. The average yield per acre during the same period was approximately 9·2 bushels.

Modern agricultural machinery is used on the larger wheat farms. South African wheat is not handled in bulk but is packed in bags of 200 pounds.

There was a marked increase in the volume of domestic wheat production after 1930, the year in which import restrictions were first imposed. The average output of the pre-restriction period has more than doubled, as the subjoined figures indicate:—

#### *South African Production of Wheat*

	Bushels		Bushels
1910-11 . . . . .	3,867,716	1934-35 . . . . .	16,936,416
1915-16 . . . . .	7,309,800	1935-36 . . . . .	23,709,150
1920-21 . . . . .	7,763,366	1936-37 . . . . .	15,419,633
1925-26 . . . . .	9,209,633	1937-38 . . . . .	10,156,666
1930-31 . . . . .	9,552,066	1938-39 . . . . .	17,093,333
1931-32 . . . . .	14,109,700	1939-40 . . . . .	16,510,000
1932-33 . . . . .	10,875,333	1940-41* . . . . .	16,240,000
1933-34 . . . . .	11,761,933		

\* Estimated.

#### WHEAT VARIETIES

The wheat produced in South Africa has a low gluten content. Millers are forbidden to use any chemical strengtheners, and as a consequence the quality of the bread used in this country is poor. There is no standard variety of wheat produced. In the southwestern Cape, the principal growing area, the leading types are known as Pilgrim, Sterling, Vondeling and Spring Early; elsewhere in the Cape, Red Egyptian, Wolkoring and Oubaard are produced. In the Orange Free State and Transvaal the more important varieties include Red Egyptian, Rooi Lama, Bontar, Lalkasarwali, Rooi Kleinkoring and Kruger.

#### WHEAT REQUIREMENTS

The total annual wheat requirements of the Union are officially estimated to be 17,970,000 bushels, made up of some 16,270,000 bushels for milling purposes and about 1,700,000 bushels used for seed.

#### CONTROL OF GRAIN TRADE

The interest of the State in the production of wheat in South Africa goes back to 1917, when a Select Parliamentary Committee was formed to inquire into and report on what steps could be taken to increase the production of food within the Union. At the outset use was made of the customs tariff to protect the wheat-growing industry. This was not enough, however, to raise the local price to a sufficiently high level, and in 1930 this was implemented by



legislation placing the importation of wheat and flour under permit. In addition to these quantitative regulations it was further subsequently decreed that the landed values of imported wheat and flour must be maintained at 22s. 6d. and 37s. per bag of 200 pounds, respectively. This was made possible by the imposition of special variable duties superimposed on the original import duties. These measures alone, however, failed to bring stability to the industry. This was owing to the variations in annual production whereby at times the crop was exceeded by the consumption demands, while in other years there was a deficiency. Concurrently there is very little elasticity in the demand for wheat and wheat products. Consequently in 1935 legislation was passed, known as the "Wheat Industry Control Act", which created a central governing Board. The principal function of this organization was to encourage producers and their co-operative organizations to store wheat and thus regulate marketing by the payment of compensation for losses due to storage.

In the first year of its existence the Board was faced with the 1935-36 bumper crop of 23,709,150 bushels, coupled with which there was a substantial carryover from the year before together with low overseas prices. At this period, despite these factors, the collapse of the domestic wheat market was prevented. It soon became apparent, however, that additional restrictive measures would be necessary if a permanent rationalization of the market was to be achieved. Accordingly in October, 1938, the Wheat Industry Control Board was reconstituted and given much wider powers. In brief, these gave the Board monopolistic selling control. They provided that the Board could prohibit the producer selling his wheat to anyone but the Board, which was empowered to appoint agents to purchase wheat on its behalf at a price fixed by itself, and this wheat would then be resold to millers and other consumers. As a corollary, authorization was obtained to fix the prices of various wheat products such as bread, flour and mill offal.

Up to the time this scheme became operative there was no legal basis for proper wheat-grading regulations; everything had formerly been done on a fair average quality basis. As the result of the scheme for sale through fixed channels and at fixed prices, it became necessary to prepare a set of grading rules. In addition to being the buyer and seller of the domestic wheat crop, the Control Board is the only authority in the matter of imports. Until this year, when imports were required, permits were issued to the individual millers, who then made their own purchases. In 1940, however, the Board did all the importing for its own account, and then distributed supplies to the various consumers.

#### GRADING OF WHEAT

The various quality grades of South African wheat were first gazetted by official decree in October, 1938. This decree was supplemented by a government notice dated October 6, 1939, by which all domestic wheat is divided into three classes and six grades. It is specified that Class A shall be bread wheat, consisting of at least 80 per cent by weight of one or more of the following varieties: Manitoba, Kruger, Rooi Kleinkoring, Burbank, Florence, Farrar-trou, Sterling, Kleintrou, Red Egyptian and Sunset. The quality of this Class A wheat shall not be below the definition for Grade 3.

Class B wheat is defined as being bread wheat consisting of one or more of the varieties not specified in Class A but containing less than 80 per cent by weight of one or more of six varieties of bread wheat falling under that class but of a quality below the definition of Grade 3. Class D consists of any wheat containing more than 10 per cent by weight of durum wheat.

All wheat, irrespective of class, is graded on a specific basis. Grade 1 must have a minimum bushel weight of 62 pounds, a maximum percentage of 2 per cent foreign matter, 5 per cent other wheat, 13 per cent moisture, 5 per

cent broken grain, 5 per cent damaged grain other than broken grain, and a maximum of 7.5 per cent of damaged plus broken grain plus foreign matter. In addition to Grade 1, Grades 2, 3, 4, 5 and 6 provide for wheat of lower weights per bushel and higher percentages of foreign matter, overweight and broken and damaged grain. There is also an under grade for wheat which does not conform to the requirements for any of the six grades.

A copy of the South African Wheat Grading Regulations is available for inspection by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

#### PRICES OF WHEAT AND WHEATEN PRODUCTS

Trade in wheat, wheat offal, flour and bread is all conducted at fixed prices, which are promulgated in the *South African Government Gazette*. It is prescribed that no producer of wheat shall sell, other than wheat sold for seed and under permit, at prices other than the following, which are per bag of 200 pounds f.o.r. and may be less a commission of 9d. per bag payable to the Wheat Board or its agent:—

#### *Selling Prices for South African Wheat*

Grade	Class A	Class B	Class D
	Per 200 Pounds F.O.R.	Per 200 Pounds F.O.R.	Per 200 Pounds F.O.R.
	£ s. d.	£ s. d.	£ s. d.
1. . . . .	1 2 0	1 1 0	0 18 0
2. . . . .	1 1 6	1 0 6	0 17 6
3. . . . .	1 0 6	0 19 6	0 16 6
4. . . . .	.....	0 17 6	0 14 6
5. . . . .	.....	0 15 0	0 13 6
6. . . . .	.....	0 13 0	0 11 6

While the above represent the official prices for the year, November 1, 1940, to October 31, 1941, producers of wheat are in addition paid a subsidy of 2s. per bag. The growers contend that even at this increased figure the production of wheat is unprofitable, and they have been asking for as much as £1 8s. 6d. for Class A wheat and £1 7s. 6d. for Class B wheat (approximately \$1.88 and \$1.66 Canadian per bushel) respectively. Farmers contend that there has been an increase in costs of 5s. per bag since the outbreak of the war, whereas the Division of Economics and Markets of the Department of Agriculture estimates this increment to be slightly less than 2s.

As regards flour, there is a variation in the schedule of fixed selling prices, which depends on the quantity taken. For purchasers who take in one delivery not less than 7,000 pounds of flour, meal or semolina or not less than 500 pounds of self-raising flour the cost per bag of 200 pounds is as follows:—

#### *Selling Prices of South African Flour*

	Per 200 Pounds
	£ s. d.
Patent or special flour. . . . .	2 1 6
Bakers' flour . . . . .	1 17 3
No. 1 sifted or household flour. . . . .	1 14 6
No. 2 sifted meal . . . . .	1 12 6
No. 1 unsifted meal . . . . .	1 9 0
No. 2 unsifted meal . . . . .	1 5 0
Medicinal or proprietary meals . . . . .	1 13 6
Semolina . . . . .	2 1 6

For quantities of not less than 600 pounds the foregoing quotations are increased by 1s. per bag, while for quantities below 600 pounds there is a 5s. increase.

The fixed price of bread when sold unwrapped is as follows per loaf of two pounds:—

*Selling Prices of South African Bread*

	Minimum Per 2-Lb. d.	Maximum Loaf d.
First grade white bread . . . . .	6	7
First grade brown bread . . . . .	6	7
Second grade white bread . . . . .	5½	6
Second grade brown bread . . . . .	5½	6
Mixed bread . . . . .	6	7

If the bread is wrapped, the above prices are to be increased by ½d. per loaf.

WHEAT IMPORTS

The quantity of wheat imported into South Africa has been reduced as domestic production has increased. This applies particularly to bread grain, apart from which certain limited quantities of overseas wheat have continued to be brought in at all times for the manufacture of biscuits and alimentary pastes. During seasons when the local harvest has been adequate the limited imports have been confined almost entirely to wheat suitable for these purposes.

The following table illustrates the volume and value of total wheat imports into South Africa during the past twelve calendar years:—

*South African Imports of Wheat*

	Bushels	£
1929 . . . . .	6,185,387	1,535,824
1930 . . . . .	1,908,862	486,849
1931 . . . . .	3,197,608	513,069
1932 . . . . .	1,079,010	176,038
1933 . . . . .	61,971	11,463
1934 . . . . .	886,653	197,610
1935 . . . . .	50,286	10,416
1936 . . . . .	32,329	7,172
1937 . . . . .	17,739	5,778
1938 . . . . .	2,617,892	459,714
1939 . . . . .	180,930	31,997
1940 . . . . .	2,618,631	496,207

Until about ten years ago South Africa was a regular importer of limited quantities of Canadian wheat, which was used for blending purposes. From 1932 to 1940 imports from Canada were small, however, and they were utilized mostly for special purposes such as the manufacture of biscuits, and when bread grain was required Australia was favoured. It was not until 1940 that part of the Union's requirements were met from Canada, which was the first time since 1934.

The volume and value of imports of wheat from Canada and Australia, the two principal sources of supply, during the past 12 years, have been as subjoined:—

*Imports of Wheat from Canada and Australia*

	From Canada		From Australia	
	Bushels	£	Bushels	£
1929 . . . . .	939,864	276,496	3,996,133	968,731
1930 . . . . .	1,665,179	414,107	204,568	61,823
1931 . . . . .	2,281,144	389,318	897,730	120,653
1932 . . . . .	958,577	157,985	120,349	18,024
1933 . . . . .	39,248	7,227	22,450	4,158
1934 . . . . .	854,676	191,742	31,864	5,830
1935 . . . . .	24,196	5,351	24,935	4,757
1936 . . . . .	20,106	4,693	12,082	2,429
1937 . . . . .	17,555	5,693	.....	.....
1938 . . . . .	17,900	4,963	2,451,596	422,763
1939 . . . . .	17,964	3,569	162,784	28,368
1940 . . . . .	412,651	94,517	1,889,315	337,855

In 1938 and again in 1940, imports from Canada and Australia were supplemented by imports from Argentina. In the former year that country sup-



plied 148,282 bushels valued at £31,948 and in the latter 313,288 bushels valued at £63,817.

### MARKET PROSPECTS

As noted in a preceding paragraph, the most recent estimate (end of November) of the South African wheat crop for the current season is 16,240,000 bushels, which is a decrease of 931,000 bushels from the preliminary official estimate. In the meantime weather conditions during the harvesting period have not been entirely favourable, and some damage to the crop has been reported. It is not improbable, therefore, that a further reduction in yield will ultimately be recorded. There has been no carryover from the year before and, with a crop which will be well below the level of 1939-40, it can be safely assumed that within the next eight or ten months the Union will again be under the necessity of importing from two to three million bushels of wheat.

### WHEAT EXPORTS

During big crop years small quantities of wheat have been exported from South Africa. The only year in which exports were in any considerable volume was 1937, when they amounted to 980,911 bushels, most of which went to the United Kingdom. A proclamation under the Marketing Act of 1937 (dated November 3, 1939) prohibits, except under permit, the exportation from South Africa of all wheat and wheaten products.

### SOUTH AFRICAN MILLING INDUSTRY

The Union of South Africa's wheat-milling capacity is estimated to be 50 per cent in excess of requirements. This is due to imperfections of competition which permit the continued existence of old mills and the entry of new milling units which do not utilize their productive capacity to the full; it can be explained by present evolutionary processes of the industry. Prior to the industrial and mining development of the Southern Transvaal, a large part of the country's demand for flour was from the seaboard provinces. Since wheat production was confined chiefly to the western part of Cape Province and large quantities of wheat had to be imported in any case, there was a tendency to build near the coast, particularly in the Southern Cape. As the consumer demand shifted northward and, under the stimulus of protection, wheat was grown in the same areas to an increasing extent, mills were built in the Transvaal, thus increasing the total milling capacity available. These mills, which were built in wheat-growing areas in the Orange Free State and the Transvaal, are considered up to the present to possess dubious advantages owing to the variability of the crop in those areas and the ever possible necessity of having to rail wheat from the coast during seasons of low production.

While eight large commercial mills grind the bulk of South Africa's wheat, there are in addition a large number of small local grist mills situated throughout the wheat-producing districts, which cater to the requirements of their immediate neighbourhoods only.

It is part of the program of the Wheat Control Board to rationalize the milling industry. The first step in this process was the grading and price-fixing of wheat and flour and their products. Subsequently all mills have been registered, while at the present time the institution of milling quotas is under consideration.

A census taken by the Wheat Industry Control Board covering the seasonal year ending September 30, 1937, listed the capacity of the flour milling industry of the Union on the following basis:—

Milling Capacity Bags of 200 Pounds	Mills No.	Wheat Ground Bags	Total Wheat Ground Per Cent
Over 125,000 . . . . .	8	2,534,541	56.46
50,001 to 125,000 . . . . .	9	770,243	17.16
25,001 to 50,000 . . . . .	8	317,867	7.08
15,001 to 25,000 . . . . .	10	187,074	4.17
10,001 to 15,000 . . . . .	8	104,453	2.33
5,001 to 10,000 . . . . .	26	165,874	3.70
1,501 to 5,000 . . . . .	87	224,635	5.00
1,500 and less . . . . .	532	183,967	4.10
Total . . . . .	668	4,488,654	100.00

### FLOUR IMPORTS AND EXPORTS

Since the closing of the market by the inception of the import permit system, the volume of flour imported into South Africa has shrunk to small proportions. In 1931 the total quantity, according to the Union statistics, was 48,484 barrels. Australia supplied nearly 50 per cent of this, although Canada, with 18,922 barrels valued at £19,044, was first from the point of view of value. The United States was the only other supplier of importance. By 1939 imports from all sources had contracted to 5,038 barrels and, as flour cannot be brought into the country for ordinary consumption, most of this quantity can be presumed to have been in transit for Southwest Africa. As regards the 1939 figure, Canada was credited with 2,073 barrels valued at £2,061. Most of the balance came from Southern Rhodesia and Australia.

In addition South Africa has developed a small export trade in flour which in 1939 amounted to 1,377 barrels with a total value of £660. Australian wheat milled in bond is the raw material used. The Belgian Congo is the leading market, with much smaller quantities going to St. Helena and West Africa.

### IMPORT DUTIES

The intermediate duty on wheat imported into South Africa, or Southwest Africa, and which is applicable to all countries except the United Kingdom and Canada, is 2s. 8d. per 100 pounds. A preferential rate of 2s. 6d. is granted to wheat of British or Canadian origin. In addition to the foregoing there is, however, a special levy equal to the difference between the fixed price of domestic wheat and the landed duty-paid price of the foreign product. As imports are allowed only under permit, however, and the cheaper the wheat the higher the revenue, there has been a tendency on the part of the authorities to favour wheat from such countries as Australia as against the higher quality but more expensive product from Canada.

The duty on flour imported from Canada or the United Kingdom is 5s. 4d. per 100 pounds, and on imports from any other country the rate is 5s. 6d. As in the case of wheat, imports are subject to a special levy equal to the difference between the fixed price of the domestic product and the landed duty-paid price of the foreign flour. Imports may be brought in only under permit.

### Southwest Africa

Conditions in the Mandated Territory of Southwest Africa are somewhat different from those in the Union, as far as wheat and flour are concerned, in that import permits are not necessary. On the other hand, with a white population only slightly in excess of 30,000, the market is very restricted.

There is no record of imports of wheat. Imports of wheat flour in 1939 amounted to 45,726 barrels valued at £73,402, of which South Africa supplied 44,222 barrels valued at £72,399; most of the remainder came from Canada. Imports of Canadian flour might be slightly increased, if direct shipping facilities were available.

## BUSINESS CONDITIONS IN NEWFOUNDLAND IN 1940

FROM THE NEWFOUNDLAND *Journal of Commerce*

For the fiscal year ended June 30 last, the country's total trade at \$61,815,000 is almost five and a half million dollars greater than that of the year before. Imports, due to heavy purchases after the outbreak of war, were up \$4,000,000, and exports \$1,500,000. This increased trade is reflected in higher government revenue which, for the year ended June 30, 1940, amounted to some \$12,500,000, an increase of \$1,300,000 over the revenue for the previous year.

The increased trade is also reflected in increased bank clearings and in net revenues of the transportation systems.

While production of the fisheries has been below average, increased activities throughout the year at the pulp and paper mills and at the iron and base metal mines and Aguathuna quarries has increased the demand for labour and materials and has resulted in reduced calls on the Government for relief, statistics for which show a substantial decrease in numbers and expenditure since a year ago.

### CODFISHERY

At the beginning of 1940 fish merchants were faced with a difficult situation. Stocks of codfish on hand at the end of December, 1939, were the highest at that time for years and heavy stocks from Norway were competing for our markets. Italy's entry into the war shut off the Mediterranean markets and increased the difficulties in disposing of the surplus. By midsummer, however, large sales to Portugal improved the situation considerably.

This year's codfishery is the smallest for years, the Labrador catch being particularly small but, notwithstanding restriction of markets caused by the war, recent large sales to Portugal and Spain at satisfactory prices practically assure the disposal of the catch in good time and may even cause a shortage before next season.

Except in the Brazil market, prices were sufficient to meet the guaranteed prices paid to fishermen.

### SEALFISHERY

The sealfishery last season was much better than that of the previous year, which was virtually a failure. Seven steamers, carrying 1,307 men, took part in the fishery. The total catch was 159,687 seals valued at \$205,030 as compared with 97,345 seals valued at \$149,399 the previous year.

Five Norwegian steamers also prosecuted the fishery and three of them came to St. John's with 31,900 seals among them.

### SALMON

The salmon fishery figures for 1940 show an improvement over those of 1939, although the production was considerably below that of 1938. The catch was disposed of principally in the United Kingdom market, although the outlook at the beginning of the season was rather uncertain. It is probably more so as regards 1941, due to the war and the preference the Government of the United Kingdom may see fit to give to other commodities. It is to be hoped that this situation will be clarified as the season approaches.

Shipments of salmon for 1939 and 1940 were approximately as follows: 1939, 1,640,000 pounds of frozen salmon and 600,000 pounds of fresh salmon; 1940, 2,100,000 pounds of frozen salmon and 600,000 pounds of fresh salmon.

There were 3,840 cases of salmon canned during the summer of 1940 which sold for \$8.50 per case but during recent [later] months a shortage became evident and prices advanced to \$10. Seven thousand cases a year



can be sold at profitable prices and it is probable that this could be much increased if quantities were available to offer in Nova Scotia and Eastern Canada. The local demand was so active that very little was available for export and many orders have been turned down. . . . .

Exports of fresh and frozen salmon for the year ended June 30 were as follows: fresh salmon, 3,074,557 pounds valued at \$451,311; frozen salmon, 3,379,827 pounds valued at \$460,254.

HERRING

The herring fishery last year in the Bay of Islands was the best, from the standpoint of catch and weather conditions, for many years. The agreement between the Fisheries Board and Vita Food Products Incorporated, giving that company the exclusive right to export Scotch-cure herring from Newfoundland, was renewed at prices considerably higher than those of the previous year.

Good catches are reported this year from the West Coast and prices are better than those of last year. Vita Food Products have contracted for 26,000 barrels of Scotch cure, an increase of 5,000 barrels over last year. . . . .

The following are comparative figures for 1938 and 1939, with approximate values:—

	1938		1939	
	Barrels	Dollars	Barrels	Dollars
Scotch cure . . . . .	14,825	130,531	12,822	119,470
Salt bulk . . . . .	500	1,100	1,500	3,300
Other cures . . . . .	3,246	15,162	5,381	28,767
Green to reduction plant. . . . .	.....	.....	49,000	41,250
	Boxes		Boxes	
Smoked kippers. . . . .	3,600	3,960	1,500	2,750
Total. . . . .	.....	150,753	.....	195,537

LOBSTER

There were only 1,154 cases packed during the season, all of which were easily sold, most of the pack going to Canada and the United States. Prices advanced during the season. The market is bare of supply at the present time and the packers should be encouraged to pack larger quantities next year.

COD LIVER OIL

There has been a stronger market for Newfoundland cod liver oil than for many years past as the war has seriously interfered with the production and distribution of oil from several of the most important producing centres. Unfortunately, producers and exporters have not been able to reap the full benefit of the situation as, owing to the short fishery, the production of oil was seriously restricted and was well below the average of a normal season.

The prices for crude medicinal oil opened this year 50 per cent higher than last season's prices and the trade here made every possible endeavour to cope with the situation by the erection of a number of new plants, and every factory was put into operation. The fishing season opened up very well and good quality cod liver oil was manufactured. Unfortunately, before the season was well advanced, the fishing struck off and the fall fishery was an absolute failure.

Prices recently have advanced still further. . . . .

The following are the export figures for the past two years: 1939, refined, 101,380 gallons; poultry feeding, 147,875 gallons; 1940, refined, 155,196 gallons; poultry feeding, 23,682 gallons.

BLUEBERRIES

The production of blueberries during the past season showed a considerable improvement over that of the previous year, amounting to approximately

160,000 to 200,000 thirty-pound boxes. Sales were negotiated for the complete production and shipments to market will be completed by the end of the current year (1940). . . . .

### PULP AND PAPER

The mills at Corner Brook, Grand Falls and Bishop's Falls have operated at full capacity throughout the year. Owing to the war, and particularly to enemy invasion of Scandinavia, there has been a wide demand for paper products of all kinds from Canada and Newfoundland and exports have been made to practically all the British Dominions and many parts of the Colonial Empire, as well as to North, Central and South America.

Prior to the war most of the output of the Anglo-Newfoundland Development Company, Limited, went to the United Kingdom, but since the war, consumption in the United Kingdom has been reduced by more than half and it was necessary to look elsewhere for markets. These were found in America when supplies formerly obtained from Scandinavia were cut off due to enemy invasion. . . . .

### MINING

The mines at Bell Island started on full capacity in January, 1940, and worked from that time until May on this basis, when they went on half time until June 20, from which date until the end of the year they have worked at capacity. The average number of men employed was 2,026 in addition to a staff of 85. The total production was about 1,500,000 tons and shipments amounted to 1,400,000. Whereas in 1939 nearly 700,000 tons went to Germany, none went to that country in 1940. The payroll for the year amounted to some \$2,338,000. Duties paid on imports were \$40,000 and government taxes, including royalty on ore, amounted to about \$122,000. . . . .

Operations of the Buchans Mining Company Limited at Buchans in 1940 were approximately on the same scale as those of 1939. The average number of men employed by the company in 1940 is estimated at 638, which is approximately the same as those of 1939. . . . .

The fluorspar mine at St. Lawrence operated by the St. Lawrence Corporation is reported to have had a successful year both in output and delivery. Shipments amounted to some 14,000 tons of fluorspar, which is an increase of about 4,000 tons over 1939. . . . .

### AGRICULTURE

The 1940 season may be considered as having been fairly satisfactory to the farmers. There was an abundance of moisture on the east coast which, in some cases, interfered with the curing of hay; but on the west coast, where drier conditions prevailed, a very good crop of hay resulted. The acreage seeded to oats was about the same as in 1939 and good yields were obtained in most cases.

An increased acreage was planted in potatoes but an outbreak of late blight on the Avalon Peninsula reduced the yield, which was, therefore, about the same as in 1939. . . . .

About 1,300 acres of new land were cleared and ploughed.

### TRANSPORTATION

The results of operations of railway, steamers and dockyard for the year ending June 30, 1940, show an improvement in net earnings of 70 per cent as compared with the previous year. Passenger earnings increased 25 per cent for the year and freight earnings about 3 per cent.

Since July freight earnings have been higher by 15 per cent and passenger earnings higher by 30 per cent than for the corresponding period of the previous year.

#### BANK CLEARINGS

The following are clearing figures of the banks represented in St. John's for the year ended November 30 as compared with the previous year: 1940, \$66,408,385; 1939, \$57,981,185.

#### COMMERCIAL SITUATION

Reports from local factories indicate a substantial increase in business in 1940. Part of this would, no doubt, be accounted for by increased prices but it is also due to the large amount of construction work which has been going on during the last six months [of 1940].

Wholesale trade was generally higher than in 1939. Merchants extended the usual quantities of supplies for the fisheries, after some hesitation, last spring, and as fish shipments are going forward satisfactorily, good returns in the way of collections are being received. . . . .

#### SUMMARY

While the fisheries were generally below normal, the early disposal of the year's catch at profitable prices has improved the outlook and the year 1940 may be considered as having been a reasonably favourable one. The demand for labour and materials was generally high. The high scale of production maintained throughout the year by the pulp and paper mills and the various mining companies gave steady employment, and the construction of huts and other buildings at the Newfoundland Airport and in St. John's by Canadian military authorities added to the general welfare and was especially welcome to the firms which supplied the materials required.

The probable continuation of the high tempo in the operations of the paper companies and the mining companies, with the additional demand for labour and materials which will be required in connection with the establishment of naval and air bases by the United States, together with the increased purchasing power which will result from the stationing of large bodies of troops in Newfoundland, are all factors which will make us look forward with confidence to the year 1941.

### FINAL REPORT ON THE SEED POTATO SITUATION IN THE UNITED STATES

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, February 10, 1941.—The United States Agricultural Marketing Service reports that a record crop of 18,706,232 bushels of certified seed potatoes was produced in 1940. This production is 20 per cent higher than the previous high record of 1937 and 36 per cent higher than the production in 1939. It is over 50 per cent higher than the five-year average 1934-1938.

#### EASTERN PRODUCTION

The State of Maine produced nearly 45 per cent of all potatoes certified throughout the United States and its production of 8,466,186 bushels was 34 per cent higher than that of the previous year. The Maine crop, however, did not reach the record of 1937, and its proportion of total production has gone down from 52 per cent of the United States total, showing that other states have made rapid gains.



The most important factor in Maine's production was the Cobbler, of which 2,863,042 bushels were harvested. This represented 33 per cent of Maine's total production of seed potatoes, but shows a decline from the important position of this variety in 1937, when 41 per cent of production was of Cobblers. A still greater decline is shown in the yield of Green Mountains, since this variety now takes second place, with a production of 2,593,401 bushels or 31 per cent of the total, while in 1937 it held first place with 43 per cent of the total. These two varieties alone represented 84 per cent of total Maine production in 1937, but now provide only 64 per cent.

The variety which has usurped to a certain extent the prestige of the Cobbler and Green Mountain is the Katahdin, with a production in 1940 of 1,754,638 bushels or 20 per cent of Maine's total, as against 353,078 bushels or 4 per cent in 1937. Reports on the susceptibility of this variety to certain diseases, however, suggests that it has reached the climax of its popularity and that its production may slowly decline in the future.

Maine's production of Chippewas reached 718,445 bushels, while all other varieties were comparatively unimportant in the total.

The production in Maine has been stressed because it is the one most nearly competitive to seed coming from Canada's most important seed areas. Other Eastern states are rather negligible in the total. New York produced only 517,150 bushels, Pennsylvania 219,972 bushels and Vermont 100,171 bushels. Principal varieties grown in New York are Green Mountain (178,000 bushels), Katahdin (156,000 bushels), Rural New Yorker (51,000 bushels), Chippewa, Russet Rural and Cobbler (about 36,000 bushels each). Pennsylvania specializes in Russet Rural and Vermont in Green Mountain.

#### WESTERN PRODUCTION

In view of the fact that Western Canada is starting to develop a surplus of seed, it is of some interest to study the corresponding situation in the Western states.

North Dakota is the second largest seed-producing state, 1940 production being 2,208,225 bushels. This is a very great increase over the 1937 production of 1,775,620 bushels. The seed from North Dakota, as well as from Minnesota and Nebraska, third and fourth largest producers with 1,954,034 and 1,007,440 bushels respectively, has a wide distribution throughout the Middle West. In all cases the crop has greatly increased since 1937.

The three states together thus produced 5,169,699 bushels, or 27 per cent of United States production. They specialize chiefly in Bliss Triumph, of which their total crop was 2,681,952 bushels. Nebraska had no other varieties, but North Dakota produced about 55 per cent of Triumphs and 45 per cent of Cobblers, of which its production was 880,500 bushels. Minnesota's production was more varied, including 811,502 bushels of Cobblers, 252,927 bushels of Early Ohios and 95,465 bushels of White Rose.

Among the states farther west, Colorado produced 824,219 bushels, Oregon 592,425 bushels, Washington 424,134 bushels and Wyoming 701,600 bushels. The total of these four states was, therefore, 2,540,000 bushels, or 13 per cent of United States production. Colorado's production was distributed among Bliss Triumph (177,133 bushels), Cobbler (116,757 bushels), Katahdin (89,031 bushels) and unspecified varieties. Wyoming produced mostly Bliss Triumph (674,100 bushels); while Oregon produced 326,370 bushels of Netted Gem, 178,700 bushels of White Rose and 73,815 bushels of Burbanks. Washington produced mainly White Rose (345,133 bushels).

The only other important producing states are Michigan, Idaho and Montana, with totals of 407,706 bushels, 380,332 bushels and 235,381 bushels, respectively. Of these, Idaho specializes in Netted Gem (330,208 bushels), and half of Montana's production is in Bliss Triumph, the remainder being divided equally between White Rose and Netted Gem. Michigan is the great producer of Russet Rurals, with Chippewas coming next.

## PRODUCTION BY STATES AND VARIETIES

The following table shows total United States production of certified seed potatoes and the production of the most important states during the years 1937 to 1940:—

*Certified Seed Potato Production by States*

	1937	1938	1939	1940
	Bushels	Bushels	Bushels	Bushels
Total . . . . .	15,514,930	11,261,512	13,733,424	18,706,232
Maine . . . . .	8,519,901	4,301,628	6,329,456	8,466,186
North Dakota . . . . .	1,775,620	1,891,218	1,717,571	2,208,225
Minnesota . . . . .	1,686,902	1,443,925	1,353,338	1,954,034
Nebraska . . . . .	513,475	426,980	641,878	1,007,440
Colorado . . . . .	414,365	489,035	704,431	824,219
Wyoming . . . . .	157,968	150,000	379,765	701,600
Oregon . . . . .	255,500	294,550	373,080	592,425
New York . . . . .	441,900	441,750	336,530	517,150
Washington . . . . .	206,293	163,000	333,429	424,134
Michigan . . . . .	240,208	298,325	197,601	407,706

It should be noted that the ten states listed produce 95 per cent of the total United States production.

*Certified Seed Potato Production by Varieties*

	1937	1938	1939	1940
	Bushels	Bushels	Bushels	Bushels
Cobbler . . . . .	5,689,516	4,123,661	4,081,139	4,888,605
Triumph . . . . .	2,368,284	2,215,795	2,615,917	4,082,457
Green Mountain . . . . .	4,025,252	1,743,385	2,885,914	2,959,936
Katahdin . . . . .	420,147	465,735	788,063	2,117,449
Chippewa . . . . .	617,548	324,816	692,719	973,008
Netted Gem . . . . .	579,472	600,776	444,673	799,955
White Rose . . . . .	200,904	287,502	537,671	772,172
Russet Rural . . . . .	389,686	433,787	338,765	512,400
Early Ohio . . . . .	194,231	247,957	369,279	428,640

## PRICES

The United States Department of Agriculture reports that prices to growers on December 1 in 1940 averaged 69 cents per bushel as compared with 99 cents in 1939, 85 cents in 1938 and 63 cents in 1937. About 20 per cent of the total crop was sold by growers prior to that date as compared with 19 per cent in the previous year. Information from other sources, however, indicates that, due to their large surplus, the price received by Maine producers was lower than that given above, and ranged around 63 cents a bushel. It is well to remember, in comparing prices, that the duty on Canadian seed up to 1,500,000 bushels is 37½ cents per 100 pounds, and that the freight rate per 150-pound bag to New York, New Jersey, and Long Island markets ranges from 60 cents by water to 73 cents by rail. Although there were some prospects of reducing the rail rate to 60 cents, decision has been deferred to February 22, and prospects do not appear entirely favourable. Receivers here greatly prefer rail-borne potatoes because of reduced handling, which is reflected in better condition upon arrival.

## PROSPECTS FOR CANADIAN SEED SALES

Because of the exceedingly large crop in the United States, prospects for selling Canadian seed potatoes would appear at first sight to be very slight. The low price at which United States supplies may be obtained distinctly prevents Canada from competing on a price basis. Because of the disease-free nature of Canadian stock, however, there are certain potato growers who will purchase Canadian stock regardless of price, and it can be estimated that from 400,000 to 500,000 bushels will be imported during the current season. It is already reported that 150,000 bushels of Prince Edward Island Cobblers were shipped to Virginia on two ships in January. Long Island is also expected to take considerable quantities, but will hold off the market until the last possible moment because of unfortunate experiences last year. Dealers who had bought potatoes outright suddenly found the market swamped with consignment shipments which reduced the price and caused them considerable loss. This experience will lead to caution this year, and may prevent many dealer sales.



## TRADE OPPORTUNITIES IN EGYPT, PALESTINE AND IRAQ

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports that opportunities for the sale of Canadian products in Egypt, and to a lesser extent in Palestine and Iraq, have considerably improved as a result of recent British naval and military successes in the Mediterranean area. Since the beginning of the war more than 170 trade inquiries for a wide variety of Canadian products have been received from Mr. Turcot.

Owing to the irregularity of steamship services during 1940 and the risks involved in shipping to Mediterranean ports, little interest was shown in these inquiries by Canadian exporters. At Mr. Turcot's request, in view of the changed conditions, many of these inquiries are being revived and particulars of the demand for specific products will be furnished to bona fide Canadian exporters upon application addressed to the Director, Commercial Intelligence Service, Ottawa. Information will also be supplied concerning available shipping services. Subscribers to the *Commercial Intelligence Journal* are referred, for general information on the import trade situation in the Near and Middle East, to an article by Mr. Turcot on this subject in issue No. 1929, dated January 18, 1941. A reprint of the article will be furnished upon request.

Among the commodities for which inquiries have been received are the following: newsprint; printing, writing and wrapping paper; cardboard; timber for building purposes; plywood; veneers; insulating board; railway equipment; steel rails; iron and steel products; chemicals; medicinal preparations; paints and varnish; leather; furs; rubber manufactures, including tires; automotive equipment; electrical apparatus; agricultural machinery; foodstuffs in general, and particularly canned meat, canned fish, canned fruit, and canned vegetables.

## POINTS FOR EXPORTERS TO THE NETHERLANDS WEST INDIES

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, February 5, 1941.—The Netherlands West Indies consist of two groups of islands in the Caribbean Sea. The larger group, belonging to the Leeward Islands, comprises the islands of Curacao, Aruba and Bonaire; the smaller group is part of the Windward Islands and consists of the islands of Saba, St. Eustatius and St. Martin.

Curacao is the largest and most important island. It is about 33 miles long and 6 miles across at its widest part, covers an area of 210 square miles and is situated 38 miles off the coast of Venezuela. The population of Curacao is about 60,000. Willemstad is the capital of the island and also of the Colony.

The official language is Dutch (Netherlands), although the native language, called Papiamentoe, a mixture of Dutch, Spanish, English, Portuguese and Indian, is the principal one in use. English is spoken freely throughout the Colony, especially in business circles.

The unit of currency is the florin or guilder, the exchange value of which is at present 187 to U.S.\$100.

From a commercial standpoint, the important islands are Curacao and Aruba, and they owe their importance to the extensive development of the Venezuelan oil industry, the crude oil produced in Venezuela being taken by tanker to Curacao or Aruba to be refined.

On the island of Curacao the Curacao Petroleum Industry Company (C.P.I.M.), a subsidiary of the Royal Dutch Shell, has one of the largest refineries in the world. There are large deposits of calcium phosphate (phosphate of lime) on the island, and in normal times approximately 100,000 tons were exported annually as artificial fertilizer, principally to Baltic countries. Curacao also exports divi-divi (used for tanning), aloes, skins, hides, panama straw hats, orange peel, and salt.



Willesmstad, the capital of Curacao, is an important shipping port; in 1936 a total of 5,241 ships with a gross registry of over 22,000,000 tons entered this port. Many of the largest tourist steamers include Curacao as a port of call. It is estimated that in peacetime about 42,000 tourists annually visited the island.

Aruba, situated about half an hour's flying distance from Curacao, has not the same natural harbour facilities as Curacao and consequently is not of the same importance as regards shipping and tourist trade. Its population of about 32,000 is almost entirely dependent upon the oil refineries, of which there are two. Here the Largo Oil and Transport Company Limited, a subsidiary of the Standard Oil Company of New Jersey, operates one of the world's largest refineries, and the Arend (Eagle) Petroleum Company, an associate company of the Royal Dutch Shell, also has a large refinery.

#### DUTIES AND DOCUMENTATION

In general the market demand is for low-priced articles, high-quality products finding a comparatively small sales outlet. Customs tariff charges are the same for goods from all countries and are very low. Most of the commodities in demand in this market are dutiable at 3 per cent ad valorem. Up to the present it has not been found necessary to impose any import restrictions, and the only shipping documents required are the usual commercial invoice, bill of lading and insurance certificate.

#### SHIPPING SERVICES

As to many other parts of the world, shipping facilities to the Netherlands West Indies are at present greatly curtailed. No direct services are in operation between Canada and Curacao or Aruba, and all goods shipped by sea from the Dominion must be transhipped. Merchandise from Eastern Canada destined for Curacao can be forwarded either via New York or Port of Spain, Trinidad. Under present conditions shipment via New York is recommended, as there is a regular weekly service provided by the Grace Line as well as other less frequent sailings by vessels of other companies. Shipment via Trinidad generally involves delays up to two and a half months, which is very unsatisfactory from the importer's point of view. Therefore, unless special conditions indicate that shipment should be made via Trinidad and instructions are given to this effect by the importer, this routing is not recommended, and quotations should be made on the basis of shipment through the port of New York.

Shipments to Aruba also should preferably be via New York. The Royal Netherlands Steamship Company operates weekly sailings direct to Aruba, and there are also other less frequent sailings by other lines. Shipments to either Curacao or Aruba from the West Coast would have to be transhipped at Panama.

#### TERMS OF SALE

With regard to terms, sight draft is suggested. As in other markets in this area, prior to the war extended terms of two weeks, 30 days and 60 days were granted in some cases. The nature of the product and competition offered by various suppliers sometimes dictate the terms that have to be met by a new supplier wishing to enter the market, but in general sight draft will be found acceptable. In some cases cash may be obtained if sufficient inducement is offered in the form of a discount.

#### MARKET TENDENCIES

There are few large importers in either Curacao or Aruba, and most of the business is transacted through small firms, each of which carries a wide variety of merchandise. Most of these small concerns prefer to act as importers and purchase direct from foreign suppliers, thus saving the agent's commission.

The establishment of direct connections between a Canadian manufacturer and these many small firms, however, is not recommended. In the majority of cases their capital is very limited, and sooner or later losses will occur. Secondly, if a direct connection is established and an exclusive agency arrangement concluded, sales will be limited to one small firm, as other retailers will rarely purchase from their competitors.

It is recommended, therefore, that an agent be appointed and sales made through such a representative. In this way the credit risk is to a large extent taken care of. The market is small, and a reliable agent can keep in constant touch with the financial condition of the many small firms, and thus protect the interests of his principal, and at the same time ensure a much wider distribution of his principal's merchandise.

## MEXICAN PULP IMPORTS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, January 28, 1941.—With reference to a report on the Mexican market for pulp, published in *Commercial Intelligence Journal* No. 1924 (December 14, 1940), page 787, figures have now been issued by the Mexican Bureau of Statistics showing the imports of pulp into Mexico by countries of origin for the years 1937, 1938 and 1939 and the first nine months of 1940.

During these years no mechanical pulp was shipped to Mexico from Canada. Other types of pulp were supplied in 1937, and shipments were renewed in 1939. Canada's exports of pulp to Mexico are spasmodic, although so far there has been a permanent market in this country, as the following table shows:—

### *Imports of Pulp into Mexico*

	1937	1938	1939	Jan.-Sept., 1940
		Figures in	Metric Tons	
Mechanical Pulp—				
Total . . . . .	308.4	184.4	798.9	430.4
United States . . . . .	.....	.....	20.1	23.1
Great Britain . . . . .	114.7	.....	144.9	51.3
Lithuania . . . . .	.....	.....	.....	150.3
Norway . . . . .	51.1	102.3	85.6	102.6
Netherlands . . . . .	21.1	.....	.....	.....
Sweden . . . . .	121.4	40.4	527.5	103.0
Switzerland . . . . .	.....	41.6	20.6	.....
Cellulose Pulp in Sheets—				
Total . . . . .	36,009.6	25,785.9	35,127.7	24,962.7
Germany . . . . .	3,559.4	92.0	541.0	205.0
Austria . . . . .	.....	29.6	.....	.....
Canada . . . . .	1,123.8	.....	987.2	.....
Czecho-Slovakia (Bohemia and Moravia) . . . . .	94.9	.....	168.3	.....
Denmark . . . . .	.....	26.4	.....	.....
United States . . . . .	778.7	966.1	4,417.4	17,423.6
Estonia . . . . .	150.1	.....	.....	.....
Finland . . . . .	383.9	.....	568.1	.....
Great Britain . . . . .	353.6	859.4	1,363.5	313.7
Norway . . . . .	2,153.7	2,648.4	3,440.6	809.2
Netherlands . . . . .	.....	19.8	.....	.....
British West Indies . . . . .	.....	.....	30.4	.....
Poland . . . . .	.....	.....	126.9	.....
Portugal . . . . .	.....	.....	.....	20.8
Sweden . . . . .	26,731.2	21,042.0	23,173.5	6,190.2
Switzerland . . . . .	679.9	101.8	42.7	.....
Yugoslavia . . . . .	.....	.....	267.7	.....
Pressed Cellulose Pulp—				
Total . . . . .	14.7	16.6	11.4	62.6
Germany . . . . .	11.0	13.0	6.9	.....
United States . . . . .	3.2	3.5	4.4	62.6

According to an official report, production of cellulose pulp is to be undertaken in Mexico. The "Celulosas de Mexico, S. A." has been established in a converted sugar factory at Tlacotalpan, Veracruz, to produce 28 metric tons

daily. Mexico's daily consumption of cellulose is estimated to be 160 tons. It is undoubtedly the intention of the Mexican Government to pursue a policy of establishing factories to use local raw materials, and the formation of this company is the first step towards rendering Mexico independent of imported supplies of pulp.

## EFFECT OF WAR ON LATIN AMERICAN INDUSTRIAL DEVELOPMENT

*From The Times Trade and Engineering*

Evidence continues to accumulate of the difficulties facing the South and Central American countries because of the loss of markets on the European continent, which is resulting in ever-mounting surpluses of exportable primary products.

This is only to be expected in view of the fact that, in normal times, markets on the European continent absorbed about 40 per cent of exports from Argentina and Brazil, about 30 per cent of exports from Chile (excluding nitrate), and some 25 per cent of shipments from Peru. Under wartime conditions, however, now that the European continent is almost entirely subject to the British blockade, shipments from most South American countries, after having been maintained during the first few months of the war at satisfactory levels, have now fallen to new low records, while adverse trade balances are being registered.

To-day the United States and the United Kingdom are practically the only two important markets remaining open for Latin American products, and, conversely, are also the chief sources of supply to South America. The United States is, of course, free from transport and other wartime difficulties which beset Great Britain, and already there has been a very large increase in trade between the United States and Latin America. . . . .

Taking the long view, there can be no doubt that, as the South American countries are so rich in natural resources, they will eventually be called upon to help in rehabilitating Europe. So long, however, as the present European situation persists, South American exports may be expected to run at low levels, with a consequent restriction of purchasing power leading to a reduction in imports, and it must be borne in mind that, in most of the South American countries, effective arrangements to control importation already exist. . . . .

### INCREASING FACTORY DEVELOPMENT

At the same time, there are already many indications of increasing industrial development in South America because of the present war—as occurred after the last war—and, should hostilities be prolonged and shipping difficulties accentuated, this movement, aided by the influx of foreign capital, is likely to become much accelerated and thereby permanently to affect the import trade in many lines of goods. Another feature is the increase in trade interchange between the various republics themselves, as evidenced by the trading agreements that Argentina has signed with Colombia and Brazil. Moreover, a committee was appointed recently by the Argentine Government to study the question of creating a national merchant navy, especially in order to stimulate trade with other American nations, and, in a report presented in October, the need for such a fleet was emphasized. The report stated that the proportion of Argentina's exports shipped in Argentine vessels was only 2·9 per cent, while that carried by ships belonging to countries with which a regular interchange of trade was conducted was 62·5 per cent. The rest was shipped in tramp steamers of various flags which, in 1938, carried about 6,600,000 tons of cargo and collected freights amounting to approximately 130,000,000 pesos.



## TRADING WITH THE ENEMY

### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent Germany and Italy from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be avoided. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many Italian and German subjects carry on business in neutral countries without assisting Italy or Germany, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

The complete Canadian List, in the form of a Consolidation of the Canadian Lists of Specified Persons, is now obtainable for a price of 10 cents from the Distribution Branch, Department of Public Printing and Stationery, Government Printing Bureau, Ottawa. It contains the names of more than 2,000 persons, principally in Europe, Latin America, Japan and China. The List is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain a copy of the Consolidation of the List and at the same time to arrange to receive revisions as published.

## TRADE COMMISSIONERS NEED FULL INFORMATION FROM EXPORTERS

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, South Africa, writes that Canadian manufacturers manifested a great interest in the South African market during 1940 and on the whole were reasonably efficient in supplying adequate information to enable the Trade Commissioner to handle their cases intelligently. Unfortunately, there has been a tendency among some, he states, to supply insufficient information. "Samples will be submitted without covering prices or prices will be given without samples or even an adequate description of the merchandise in question. Quotations may be ex factory at some inland point which makes it impossible to work out even an approximate c.i.f. cost. All these oversights have meant a delay of months, while further correspondence was exchanged, greatly to the detriment of the would-be exporter who may, as a result, have lost useful business."

The situation described by Mr. Macgillivray is not confined to the Cape Town office. Canadian exporters, are strongly urged, in writing to Trade Commissioners, to supply as full information as possible. A statement of the character of the information required by Trade Commissioners is contained in a leaflet "What the Canadian Exporter can do for the Trade Commissioner", which may be obtained on application to the Department of Trade and Commerce.

## CONTROL OF EXPORTS FROM CANADA

### GOODS PROHIBITED EXPORT EXCEPT UNDER PERMIT

Under Order in Council (P.C. 1124) dated February 13, 1941, and effective on that date, it is prohibited to export any of the articles in the following list without having first obtained a permit issued by or on behalf of the Minister of National Revenue:—

Wheat.

Wheat flour.

Petroleum and gas well equipment and parts, including well-drilling machinery and parts.

Petroleum refining machinery and parts.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### MOTOR VEHICLE CHASSIS QUOTAS, MAY 1, 1941, TO APRIL 30, 1942

An article by Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, dated April 22, 1940, and published in *Commercial Intelligence Journal* No. 1896 (June 1, 1940), page 872, explained the quota system of regulating imports into Australia of motor vehicle chassis from Canada and the United States. In *Commercial Intelligence Journal* No. 1893 (May 11, 1940), page 735, it was announced that a "North American" quota had been established for chassis, permitting shipment from Canada or the United States at the importer's discretion.

Mr. L. M. Cosgrave, Canadian Trade Commissioner, has now cabled that, for the twelve-month period May 1, 1941, to April 30, 1942, imports of automobile chassis from North America will be restricted to 8,896 and truck chassis to 7,503. This is exclusive of defence orders, and represents a reduction of 85 per cent in car chassis and 45 per cent in truck chassis from the base year ended April 30, 1936. Chassis for entry under the 1941-42 quota may be imported during April, 1941, provided they are not released from bond before May 1.

## RESTRICTIONS ON TIMBER IMPORTS

Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, writes under date December 13, 1940, that the fourth licensing period for timber under the Australian Customs (Import Licensing) Regulations commenced on December 1. This period runs for four months to the end of March, 1941. Unlike the licensing periods for other commodities, which, since the end of March, 1940, have been of three months' duration, the licensing periods for timber have been four months in length since the inception of the licensing scheme. Commencing with the period which will start at the termination of the present one (March 31, 1941), the periods will be three months long, and will coincide with the periods for other commodities.

In announcing the conditions for the current period, the Minister for Trade and Customs pointed out that the difficulties of Australia with regard to non-sterling exchange were becoming much more intensive, and that it had been decided to concentrate attention on those major industries, the products of which demanded large amounts of non-sterling exchange for their raw materials. In conformity with this decision, a comprehensive examination of the timber industry was held, involving discussions with forestry experts, importing and milling interests, and representatives of affected industries. As a result, the Commonwealth Government reached the following decisions:—

(1) That total prohibition of the importation of redwood and Western red cedar would operate on and from December 1, 1940.

(2) Existing quotas covering timber used in the mining industry would be withdrawn and applications for permission to import would be dealt with on their merits.

(3) A 40 per cent reduction in the basic quotas on a value basis would operate on Douglas fir imports as from December 1, 1940.

(4) A 50 per cent reduction in the basic quotas on a value basis would operate on hemlock as and from August 1, 1940, until March 31, 1941; a 75 per cent reduction during the period April 1 to June 30, 1941, and thereafter a total prohibition would be imposed.

(5) The practice adopted whereby importers were allowed to use their allocations of dressed or moulded timber and timber tongued or grooved for the purpose of importing Douglas fir would be continued, but such allocations would be reduced by 40 per cent and would have to be used for the importation of undressed types.

(6) A prohibition on the importation of spars would operate from December 1, 1940.

(7) A total prohibition of undressed timber, cut to size, for the manufacture of boxes, to operate from December 1, 1940.

The restrictions outlined are estimated to conserve approximately £1,120,000 per annum, although the figure will probably be closer to £1,500,000 when the complete prohibition on hemlock becomes operative.

The report on Australian timber in *Commercial Intelligence Journal* No. 1926 (Dec. 28, 1940), page 835, dealt with the possibility of replacing hemlock with substitutes in the box trade. The Government has promised to safeguard the dairy industry by assuring adequate supplies of butter-box timbers. They undertake to do this by a more widespread use of Queensland hoop pine and Victorian mountain ash. In addition experiments are being carried on with Australian made fibre-board cases. If, as seems probable, Australian sources are unable to supply all the butter boxes required, further imports of hemlock will be allowed, although it must be realized that before this takes place, every possible local substitute will be examined.

From time to time permission has been given for importers of timber to group their purchases under a number of tariff headings, for the purpose of establishing base-year quotas. The quotas thus established may be used for the purchase of any permissible timber type. For example, an importer who purchased £1,000 of dressed or moulded timber during the base year and also £1,000 of Douglas fir logs, would have a base-year quota of £2,000, which he could use for the purchase of any one of a number of permissible types, subject, of course, to any percentage reductions that might apply. The types which may be grouped in this way are as follows:—



- (1) Unsawn logs except hemlock and spruce.
- (2) Undressed timber n.e.i., except hemlock and spruce.
- (3) Timber dressed or moulded n.e.i., timber tongued or grooved, or tongued and grooved; weatherboard.
- (4) Timber, undressed, in sizes less than 7 ft. 6 in. by 10½ in. by 2½ in. for use in the manufacture of doors, as prescribed by Departmental By-law.

For the purpose of establishing base-year quotas for hemlock and spruce—as long as these remain permissible imports—the following classifications may be grouped:—

- (1) Unsawn logs.
- (2) Undressed timber n.e.i.

In the case of timber, the base-year quotas are computed on a c.i.f.e. basis instead of the "value for duty plus 25 per cent" basis generally adopted for licensing purposes. A c.i.f.e. basis indicates that all charges represented by the f.o.b. cost, insurance, freight, and the exchange necessary to convert to Australian currency, are to be included in the value of the base-year imports.

Information on the actual tariff classifications affected by these latest changes may be obtained from the Department of Trade and Commerce, Ottawa.

## Jamaica

### TARIFF CHANGES

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes that a bill to increase certain customs duties was submitted to the Legislative Council on February 4. According to law the new import duties went immediately into effect; the bills, however, are subject to change during debate, which will take place after the Legislative Council meets on March 4. Items of interest to Canada are:—

	Former Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Flour and meal of wheat and rye...per 196 lb.	7s.	9s.	9s.	12s.
Motor vehicles including parts and accessories ad val.	10%	30%	20%	40%
Tires and tubes for motor vehicles...ad val.	10%	30%	20%	40%
Illuminating oil, including kerosene...per gal.	3d.	4d.	4d.	5½d.
Lubricating oil...per gal.	6d.	8d.	9d.	12d.
Cotton piece-goods...ad val.	10%	20%	15%	25%
Cigarettes manufactured in the British Empire and containing not less than 50 per cent Empire tobacco...per lb.	10s.	....	11s.	....
Cigarettes manufactured in the British Empire and containing less than 50 per cent Empire tobacco...per lb.	10s. 6d.	....	12s.	....
Other cigarettes...per lb.	....	11s.	....	13s.
Manufactured tobacco...per lb.	5s. 6d.	6s. 4d.	7s.	7s. 10d.

Canadian products are accorded the British preferential tariff.

## Bahamas

### PREFERENCE REGULATIONS FOR GOODS CONSIGNED FROM A FOREIGN COUNTRY

Rule 13 of Bahamas Regulations of October 20, 1927, governing application of the British preferential tariff to imported goods and which stated that "goods, the produce or manufacture of any part of the Empire, imported or reconsigned from a foreign country, shall not be admitted to preference", was amended by an Order made under the Emergency Powers Defence Act, 1939, and gazetted on January 8, 1941. The new regulation adds to Rule 13: "Provided that where the Comptroller of Customs is satisfied that goods consigned to the Colony from a foreign country would, but for the exigencies of the present war, have been consigned direct to the Colony from any part of the Empire, such goods may be admitted at the British preferential tariff rates".

## St. Lucia

### TARIFF CHANGES

An Ordinance of St. Lucia (B.W.I.), dated December 12, 1940, amends the Customs tariff on a considerable number of commodities. Items of chief interest to Canada include:—

	Former Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Cattle and other animal foods. . . . .per 100 lb.	1s.	1s. 6d.	6d.	9d.
Clocks, watches, jewellery . . . . .ad val.	15%	22½%	20%	30%
Prepared cocoa . . . . .per lb.	2d.	3d.	6d.	9d.
Coffee, roasted or prepared. . . . .per lb.	3½d.	5½d.	5d.	9d.
Confectionery. . . . .ad val.	15%	22½%	20%	30%
Hardware. . . . .ad val.	15%	25%	15%	22½%
Hats and bonnets . . . . .ad val.	15%	22½%	20%	30%
Canned and bottled fruits, jams and jellies. . per 100 lb.	6s. 8d.	10s.	8s. 4d.	12s. 6d.
Condensed or preserved milk . . . . .per 48 lb.	5s. 4d.	8s.	Free	2s.
Perfumery and toilet preparations, not in- cluding perfumed spirits. . . . .ad val.	20%	30%	30%	45%
Silk and silk manufactures . . . . .ad val.	15%	22½%	20%	30%
Gin in bottles, not overproof. . . . .per gal.	17s.	22s.	21s.	27s. 6d.
Whisky in bottles, not overproof . . . . .per gal.	20s.	25s.	25s.	32s.
Cordials and liqueurs, including flavouring extracts containing spirits . . . . .per gal.	10s.	12s. 6d.	12s. 6d.	16s.
Perfumed spirits, including dentifrices, toilet preparations and washes. . . . .ad val.	20%	30%	30%	45%
Refined sugar . . . . .per 100 lb.	4s. 2d.	6s. 3d.	8s. 4d.	12s. 6d.
Unmanufactured tobacco, dark leaf or black fat. . . . .per lb.	1s.	1s.	1s. 4d.	1s. 4d.
Other unmanufactured tobacco. . . . .per lb.	2s.	2s.	2s. 8d.	2s. 8d.
Still wines in bulk and demijohns. . . . .per gal.	1s.	1s. 6d.	1s. 3d.	1s. 10d.
Still wines in bottles . . . . .per gal.	2s.	3s.	2s. 6d.	3s. 9d.

The surtax of 25 per cent of the duty does not apply to cattle and other animal foods, coffee, gin, whisky, and unmanufactured tobacco.

Imports from Canada are subject to the British preferential rates of duty.

## Newfoundland

### WAR REVENUE TAX ON WHEAT MEAL AND FLOUR

With reference to the special war revenue taxation announced in *Commercial Intelligence Journal* No. 1924 (December 14, 1940), page 79, there has been substituted for the 7½ per cent ad valorem tax on wheat meal and flour, a specific duty at the rate of 36 cents per barrel of 196 pounds, effective from midnight February 10, 1941. Authority to substitute duty charged by reference to weight or other measure for the ad valorem rate, was contained in Section 4 of the Revenue War Tax Act.

## United States

### CONSULAR INVOICE NOT REQUIRED FOR NEWSPAPERS

Decision No. 50317 of January 27, 1941, adds newspapers to the list of goods not requiring a consular invoice on importation into the United States, even when the value of the shipment exceeds \$100. A consular invoice for any goods is required only for shipments valued at over \$100.

## Argentina

### EXCHANGE RATE FOR COLLECTION OF CONSULAR FEES

With reference to the notice in *Commercial Intelligence Journal* No. 1928 (January 11, 1941), page 52, Mr. Saul Aguilar, Consul General of Argentina in Ottawa, advises that the rate of exchange in force as from January 31, 1941, for the purpose of the collection of consular fees is \$28.518 Canadian per 100 Argentine paper pesos.

## Mexico

## TARIFF IMPOSED ON PHONOGRAPHIC DISCS

Mr. A. B. Muddiman, Canadian Trade Commissioner in Mexico City, writes that, effective January 30, 1941, the Mexican Government has imposed a tariff of 1.20 peso per kilogram (about  $12\frac{1}{2}$  cents per pound) on phonographic discs which are not to be used with synchronized films, the title of which, engraved on the disc, is printed in Spanish. All phonographic discs were formerly free of duty in Mexico.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 17, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 17, 1941, and for the week ending Monday, February 10, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 10	Nominal Quotations in Montreal Week ending Feb. 17	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4306	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Portugal . . . . .	Escudo	.0442	.0445	.0445	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2645	.2644	3½
Switzerland . . . . .	Franc	.1930	.2577	.2577	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2279	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2614	.2614	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4413	.4412	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0581	.0616	—
Hongkong . . . . .	Dollar	.....	.2645	.2704	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2



Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Commercial Refrigerators and Beverage Coolers.....	38	Port of Spain, Trinidad....	Purchase and Agency.
Tungsten Rod.....	39	Cardiff, Wales.....	Purchase.
Hosiery Machine Needles.....	40	Dublin, Ireland.....	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXIV

Ottawa, March 1, 1941

No. 1935



Lighters in Montego Bay Loading Bananas, Jamaica's Principal  
Product and Chief Source of Purchasing Power

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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**Vol. LXIV**

**Ottawa, March 1, 1941**

**No. 1935**

## CANADA'S DOMESTIC EXPORTS IN JANUARY

PREPARED IN THE INDUSTRIAL RESEARCH BRANCH, DOMINION BUREAU OF  
STATISTICS

Canadian exports during the month of January, 1941, receded somewhat in value as compared with January, 1940, which established a high point for any January in the decade. Of the total value of \$87 million for the first month of 1941, 53.4 per cent went to Empire countries and 46.6 per cent to foreign countries. An increase of \$7.2 million to \$36 million, or more than 25 per cent, was shown in the value of exports to the United States, which was Canada's largest customer. The value of exports to the United Kingdom was slightly below that of exports to the United States, amounting to \$35.7 million. These two markets together received 82.5 per cent of all Canadian exports.

Following them in order of importance were: British South Africa (\$2.7 million), British India (\$2.2 million), Australia (\$1.4 million), and British West Indies (\$1.2 million). The figure for British South Africa represented an increase of almost 62 per cent, that for British India one of more than 200 per cent, and that for Australia a drop of 72 per cent. Shipments to Japan decreased sharply in value from \$2,100,000 in January, 1940, to \$400,000 in January, 1941. An even greater decline was shown in exports to Ireland, which shrank to one-fifth of the value of \$900,000 for January, 1940. Exports to Egypt at \$815,000 rose by 552 per cent and those to British East Africa at \$328,000 by 1,212 per cent.

Among the main groups of commodities, the largest increase was in iron and its products, the value of which was double the January, 1940, figure, reaching \$12.4 million. Four of the \$6 million increase was in exports to the United Kingdom. As in most other recent months, the expansion of the group was largely due to shipments of automobiles and parts, which were up by \$4.6 million. The largest proportional increase (281 per cent) was shown by the miscellaneous group, which stood at \$5.7 million, the United Kingdom being the principal destination. The other two groups to show increases were wood, wood products and paper at \$25.4 million (\$22.4 million in January, 1940), and fibres, textiles and textile products at \$1,426,000 (\$1,352,000 in January, 1940). In the former group nearly two-thirds of the increase of \$3 million was in the wood-pulp section.

The chemicals and non-metallic minerals groups, each of which stood at slightly under \$2.5 million, were down in value by 6 and 8 per cent respectively. Non-ferrous metals at \$15.6 million was 11 per cent below the corresponding month of 1940, and animals and animal products at \$13.1 million was down 15 per cent. Exports of the agricultural products group declined by nearly 60 per cent to \$8.4 million, about half of the decline being due to the single item of wheat.

The following two tables show the value of Canada's exports in January, 1940 and 1941, to principal markets and by commodity groups and leading commodities:—



*Canada's Domestic Exports by Principal Countries, Excluding Gold*

	Month of January	
	1940	1941
	Thousands of Dollars	
All countries . . . . .	90,100	86,921
Empire countries . . . . .	51,851	46,375
Foreign countries . . . . .	38,249	40,546
British East Africa . . . . .	25	328
British South Africa . . . . .	1,700	2,747
Southern Rhodesia . . . . .	73	203
British West Africa . . . . .	72	122
Bermuda . . . . .	89	96
British India (with Burma) . . . . .	640	2,162
Ceylon . . . . .	44	51
Straits Settlements . . . . .	613	565
British Guiana . . . . .	138	181
British West Indies . . . . .	1,180	1,188
Hongkong . . . . .	123	142
Newfoundland . . . . .	550	743
Australia . . . . .	5,202	1,434
Fiji . . . . .	85	67
New Zealand . . . . .	697	477
Palestine . . . . .	102	2
Ireland (Eire) . . . . .	921	191
United Kingdom . . . . .	39,555	35,652
United States . . . . .	28,809	30,043
Argentina . . . . .	257	434
Brazil . . . . .	434	659
Chile . . . . .	165	90
China . . . . .	239	434
Colombia . . . . .	125	109
Cuba . . . . .	226	245
Egypt . . . . .	125	815
French possessions . . . . .	74	43
Japan . . . . .	2,133	362
Mexico . . . . .	328	283
Netherlands East Indies . . . . .	140	118
Panama . . . . .	56	50
Peru . . . . .	113	68
Portuguese Africa . . . . .	187	75
Sweden . . . . .	182	....
Switzerland . . . . .	139	30
Hawaii . . . . .	77	84
Philippines . . . . .	59	66
Puerto Rico . . . . .	43	51
Uruguay . . . . .	11	29
Venezuela . . . . .	91	81

*Canada's Exports by Commodity Groups and Leading Commodities\**

	Total Exports		To United Kingdom		To United States	
	January		January		January	
	1940	1941	1940	1941	1940	1941
	Thousands of Dollars					
Total domestic exports . . . . .	90,100	86,921	39,555	35,652	28,809	36,043
Agricultural products . . . . .	20,561	8,422	14,401	4,698	2,349	1,855
Fruits . . . . .	1,483	182	1,357	28	33	110
Grains (total) . . . . .	10,179	4,277	8,068	3,546	636	342
Wheat . . . . .	9,250	3,973	7,454	3,511	511	116
Wheat flour . . . . .	2,612	1,243	1,937	736	20	8
Rubber . . . . .	1,652	872	643	271	20	157
Animal products . . . . .	15,463	13,088	9,632	6,020	4,269	6,112
Fishery products . . . . .	3,024	3,445	631	1,481	1,369	1,577
Furs (chiefly raw) . . . . .	2,151	2,461	446	1	1,574	2,353
Meats . . . . .	6,995	4,309	6,807	3,948	65	210
Fibres and textiles . . . . .	1,352	1,426	286	222	142	121
Wood and paper . . . . .	22,449	25,416	3,533	5,605	13,659	16,682
Planks and boards . . . . .	4,179	4,788	1,987	2,436	1,203	1,794
Wood pulp . . . . .	4,321	6,266	357	1,350	3,416	4,518
Paper, newsprint . . . . .	9,781	9,763	15	123	7,487	8,335
Iron and products (total) . . . . .	6,132	12,411	1,822	5,808	302	416
Automobiles and parts . . . . .	2,687	7,299	136	2,861	28	13
Non-ferrous metals (exclud. gold) . . . . .	17,408	15,560	8,131	7,954	4,884	6,976
Non-metallic minerals . . . . .	2,603	2,443	370	313	1,552	1,824
Chemicals . . . . .	2,631	2,429	787	490	1,023	1,209
Miscellaneous . . . . .	1,501	5,726	593	4,542	629	848

\* Commodities with an export value of \$1,000,000 or more in January, 1941, alone are shown in this table.

## TRADE AND ECONOMIC CONDITIONS IN JAMAICA IN 1940

F. W. FRASER, CANADIAN TRADE COMMISSIONER

### II

#### FOOD PRODUCTION CAMPAIGN

An important feature of local agricultural production is a food-growing campaign sponsored and managed by the Jamaica Government. This war measure, undertaken to provide against a possible shortage of supplies of imported foods, is being vigorously pushed forward, corn and peas being the items receiving attention. Seeds are distributed and cash loans made to farmers on the security of their crops, which they may sell at guaranteed minimum prices to the Government's Marketing Department. This organization owns and operates a cornmeal mill from which it is expected that the entire domestic demand will be supplied during the current year. To this end, about 400,000 bushels, grown on 10,000 acres of land, will be needed. There are two crops a year, and one acre yields 20 bushels of corn. Imports of cornmeal, which formerly came largely from Canada, have now almost ceased. Under the local food production scheme 27,000 growers have been registered, involving a registered area of over 150,000 acres, of which rather more than half has been planted. It is estimated that the total area producing peas, beans and corn for the fall crop was 23,973 acres, of which 1,500 were controlled by the Food Production Board, 13,423 owned by large planters and 9,050 by small farmers. Production from these areas is expected to be more than enough to replace imports of corn and peas. Rice-growing has likewise received attention, and at least 2,000 acres will become available to the Board in the western part of Jamaica for planting the spring crop. The island contains fairly large tracts of swampy land that is considered quite suitable for producing rice. Considerable success has likewise been achieved in the cultivation of soya beans, and the first commercial areas of this crop were planted during 1940. Efforts are also being made to expand the live-stock and dairy industries.

#### INDUSTRIAL EXPANSION

Among lately established local manufacturing enterprises are a condensery, put up by the Nestle organization under arrangement with the Jamaica Government, and a fair-sized privately owned plant making industrial chemicals from molasses. It is expected that in a few years the former will be able to supply the entire local trade; meantime, every effort is being made to increase the output of fresh milk, and imports of condensed milk continue to come from Canada. The Jamaica Government's Department of Agriculture and Science is doing its utmost to increase the production of fresh milk for the factory. The owners of the chemical factory, which will have a considerable output and will use a large quantity of molasses, plan to do an export business, mainly to Canada.

The Jamaica Coconut Producers Association Ltd., which for some years past has been making soap and edible oil from coconuts for the local market, has amalgamated this branch of its business with some smaller similar enterprises. Another large concern engaged in the same trade continues to operate independently. Apart from considerable exports, the coconut industry is an increasingly important one, coconut oil being used in the local manufacture of laundry soap, margarine and lard compound and being also refined and deodorized for table use. The general prospects of the industry are now better than they have been for some years past.

Total exports of raw coconuts in 1939 were 31,406,137 in number valued at £74,998, of which the United States took roughly 50 per cent, Canada 40 per cent and Great Britain most of the remainder. In 1940 the quantities were

about cut in half, due to the 1939 hurricane and to moderate government restriction of shipments. It is expected however, that the total output will increase sufficiently in the near future to meet the requirements of both the domestic and the export trade.

The export of citrus fruit is under government control, and the British Ministry of Food has bought this season's entire exportable crop of both sweet and bitter oranges, which has been shipped mainly to the United Kingdom; a portion has been released for export to Canada for the benefit of jam manufacturers in the Dominion. The Ministry had also arranged to purchase the entire Jamaican grapefruit crop, but so far it has not been possible to ship this to the United Kingdom. Nevertheless a substantial portion of it has been processed and exported to other markets, chiefly Canada, in the form of juice and marmalade pulp. A promising industry, lately developed, is the distillation of lime oil for export.

In normal times pimento is a valuable crop. Total shipments in 1939 were worth £207,073, but those in the first ten months of 1940 yielded only £85,266. Great Britain, the United States and Germany have hitherto been the chief buyers, but the last-named country is, of course, out of the market. The United Kingdom was a heavy purchaser until about three months ago; since then most of the shipments have been going to the United States. Only small stocks now remain in Jamaica, and the coming crop, due to begin about August next, is expected to be light because of plant disease and damage done to the groves by the hurricane of November, 1939.

Grapefruit and grapefruit juice are canned to a moderate extent. The same applies to some other fruit juices, which are also put up in bulk, and the manufacture of citrus peel and pulp has been developed in the past two years or so. Lately a small jam factory has been established.

A small sawmill for cutting locally grown woods has recently been opened, and plans have been made for the establishment of a cement factory. Tomatoes and tomato juice are canned in a moderate way, and a small factory making polishes has been operating for about two years past.

Closely linked with the food production campaign is the Government's land-settlement policy. For some decades past the practice has been to buy large properties with public funds and re-sell in small lots to farmers on easy terms, but after the disturbances of 1938 this work was considerably expanded. It was then decided to allocate for this purpose £650,000 of loan funds, and a new department was set up to handle the business. Many estates have since been bought, and several thousand farmers and their families have settled thereon. Available to them is a comprehensive scheme of agricultural credit operated by loan banks that borrow money from a central body and lend to their members on mortgage. In addition a separate official body, the Banana Industry Aid Board, is engaged in making loans to growers of this fruit. Since 1929, a total of 14,033 allotments of agricultural land have been made, estimated to support at the present time 70,165 persons.

#### GOVERNMENT MARKETING DEPARTMENT

Of special interest is the work of the Jamaica Government's Marketing Department which, established a few years ago as a branch of the Department of Agriculture, has lately become a separate organization in charge of a Marketing and Trade Commissioner who is advised and assisted in commercial administration by a Board appointed for this purpose. The Department opened two new country divisions in 1940. Its headquarters are in Kingston, where it operates a refrigeration plant and a packing house for handling limes, tomatoes, potatoes, mangoes and many other fruit and vegetables for the export and domestic trade. Growers deliver their produce, receiving down payment in part. The Department packs and sells, charges the growers for its services and pays



them the balance after the goods have been sold and payment has been received. Government institutions, the army and the navy are among the Department's local customers. The Department also operates the cornmeal mill, which began to grind in March, 1940, and can produce up to about 140,000 half-bags per annum, practically the whole of present local requirements. There are also two or three small privately owned mills, and as a result the importation of cornmeal has ceased. Hitherto it has been necessary to bring in corn, local supplies being insufficient, but the lag has now been about overtaken, and it is expected that during the present year local production will suffice to keep the mill fully supplied. Its storage and dehydration facilities are being extended in anticipation of larger crops in the near future.

The Department's marketing scheme for table potatoes has expanded from the collection, storage and distribution of 150 tons in 1938 to 1,200 tons in 1940, of which about 400 tons were shipped to other British West Indian Colonies and British Guiana. In 1940 the Department paid growers more than £12,000. Although imports from Canada are prohibited during the local crop season—between April and September of each year—and have consequently declined to some extent, the decline has been much less than the notably heavier imports of seed stock would imply, the reason being that domestic consumption has grown and, as noted above, an export trade has been developed.

Local production of peas, which are bought and sold by this Department, is expected soon to be large enough to meet the domestic demand, and therefore it has been decided to stop imports of red kidney beans.

This organization has lately replaced individual shipments of sweet oranges to New Zealand and of bitter oranges to the United Kingdom and Canada with collective marketing. Besides the packing house for small fruit and vegetables, mentioned above, the Department has at its disposal a regular up-to-date citrus packing plant erected by the Government a few years ago for use by a growers' co-operative.

Further recent developments in the Marketing Department's activities are the buying and selling of locally caught fresh fish; the institution of an inquiry by one of their officers, who visited the United States and Canada for the purpose, into methods of blending and processing honey for export; and the preparation of a scheme, which has been submitted to the Government, for collecting, curing and distributing locally grown timber which it is sought to substitute to some extent for imported kinds. Although tropical hardwoods have a great advantage over imported woods in being termite-proof and have been known to show no signs of deterioration after a couple of centuries in buildings, supplies are relatively scarce, and many of the timber stands inaccessible. Moreover, several (but not all) of the woods themselves are rather harder to work than imported varieties. However, the rise in price of the latter has given a decided stimulus to the use of domestic woods, which are now not much higher in price.

The Government's scheme for growing and selling tobacco, which had been placed in charge of this Department, has lately been discontinued and the station has been leased. The entire crop for 1939-40, amounting to 67,000 pounds, has been sold to the lessees, who are a branch of an internationally known organization. A portion of the 1938-39 crop remains unsold. Ample stocks are held in the United Kingdom where sales, although slow, are reported steady. There is a small local leaf-tobacco industry, privately owned.

#### GENERAL BUSINESS CONDITIONS

Both imports into and exports from Jamaica have declined to a noteworthy extent in quantity and value, as already stated. In consequence a certain amount of financial stringency is being experienced not alone by the business community but also by the Government, which is now faced with the unpleasant certainty of a much larger deficit than was anticipated a year ago and which, in order

partially to cover the shortage, has lately proposed a heavy further increase in taxation. Contributing to this deficit is one from the operation of the Jamaica Government Railway—due to scarcity of bananas, normally the largest item of freight—which has risen from an estimated £160,500 for the fiscal year 1940-41 to £230,000; the 1941-42 figure is, however, £179,000.

There has been a reduction in shipping facilities to and from the United Kingdom, as also the United States because of the restriction on imports from that country. The tourist trade has appreciably declined, American luxury liners having been withdrawn from the Jamaica run. On the other hand a development of air travel has lately taken place, the Government having subsidized the Pan American Airways Inc. to provide an extra weekly flight between Miami and Kingston. So far, this additional air service has been well supported. Compensating to some extent for the decline in tourist custom is the circulation of considerable sums of money due to the carrying-out by the Jamaica and also by the Imperial Government of certain projects connected with the war.

#### WEST INDIAN WELFARE FUND

Of considerable interest is the publication, early in 1940, of the recommendations of the West India Royal Commission, which came to Jamaica towards the end of 1938. The Commission found "a pressing need for social service and development which not even the least poor of the West Indian Colonies can hope to undertake from their own resources." It therefore suggested the establishment for this purpose of a West Indian Welfare Fund to be financed by an annual grant from the British Treasury of £1,000,000 for a period of twenty years, and of a special organization under a Comptroller to administer this fund. The social services in view include education, public health, housing, the regularization of labour and trade unions, agricultural development and research, land settlement, communications, and administrative and political reform.

The British Government provided £350,000 for such schemes as could immediately be undertaken in the Colonies and replaced the Colonial Development Fund, which had been limited to a maximum of £1,000,000 a year by a vote for a maximum of £5,000,000 a year for ten years. A further sum, not to exceed £500,000 per annum, was likewise allocated for use by the Colonial Research Advisory Committee, which is concerned with matters of technical and scientific import bearing upon the Colonies' economic condition. The scheme covers the entire Colonial Empire and, although its rate of progress is necessarily delayed by the war, the British Government determined to make a beginning. To that end it has appointed the Comptroller of the Fund referred to, as well as an Inspector General of West Indian Agriculture. No allocation of funds has yet been made to any Colony.

The general purpose of this plan is to better the social and economic status of the Colonial peoples, including those of the British West Indies. The resulting increase of their purchasing power, following the emergence among them of needs of which many of them were barely if at all aware, ought in time to boost the demand for many Canadian goods in these territories.

#### CREDIT SITUATION

So far as internal conditions in Jamaica are concerned, since the outbreak of war local wholesalers and retailers have been granting credit less freely, doubtless in consequence of a like restriction placed upon them by their suppliers abroad. On the whole this tightening-up of credit has been to the public advantage, since it reduces the incidence of business and personal failures.

## FINANCE

The interest rate on savings deposits in the four commercial banks established in Jamaica is at present one per cent per annum. The Government Savings Bank continues to pay two per cent, but limits the balance of any one account to £500. As at December 31, 1940, the number of private accounts in the bank was 192,000 for a total credit of £728,000 as compared with 188,000 accounts and a credit of £746,000 on the same date in 1939. Similar information in respect of savings accounts in the four commercial banks is not available but they are known to carry heavy deposits.

On April 1, 1939, the Jamaica Government carried forward a surplus balance of £207,305, which was reduced to £125,346 on April 1, 1940. A deficit of £105,246 is forecast for March 31 next, and it is estimated that, but for certain increases in taxation now contemplated and referred to below, this figure will rise to £651,003 by March 31, 1942. Owing to adverse business conditions brought about by the war, the extra taxes imposed since 1938 have failed to yield the sum originally anticipated, and the Government has been obliged to undertake heavy additional expenditure, notably for repairing storm damage, for preserving law and order, for providing unemployment relief works and for carrying out a large land-settlement program.

Since 1938 several new public departments have been created, including those devoted to forestry matters, land settlement, the marketing of fruit, vegetables and other produce, and labour questions. The income tax branch of the revenue department has become a separate organization and has been expanded and improved. Since the outbreak of war a trade control department has been set up. The defence vote for the current fiscal year, totalling £65,028, comprises the cost of censorship, trade and financial control and maintenance of enemy internees.

The decline in revenue collections, mentioned above, is especially marked in respect of import duties, and it is feared that so long as the war lasts the extra taxes will not produce the anticipated yield. However, bills providing for still further taxation were introduced into the Legislative Council when it assembled on February 4, the contemplated increases, estimated to produce £233,500 a year, being in respect of income tax, excise and import duties. Should these measures be adopted in their original form, the estimated total annual yield of the additional taxes imposed since the summer of 1938 would be not far short of £1,000,000.

The total public debt of Jamaica now stands at £6,733,513, against which are held sinking funds amounting as at March 31, 1940, to the sum of £732,048; the present figure is not available. In round figures the net debt is £6,000,000, representing about £5 per head of population.

The financial requirements in regard to the £2,000,000 loan program, which was launched in 1935 to meet the cost of various public works, have now been completed. To date £1,834,600 has been borrowed for these purposes. The last instalment, amounting to £200,000, was placed locally and oversubscribed in October, 1940, and the Government does not plan any further issues. It intends, however, to issue conversion loans in respect of six  $4\frac{1}{2}$  per cent issues, totalling £1,027,750, on the optional dates of redemption.

The Government's Calamities Insurance Fund totalled £86,209 on March 31, 1940, and the estimated total as at March 31, 1941, is £91,500. In 1940 this fund had to be drawn upon to the extent of £102,176 to meet the cost of repairing damage done by hurricane and flood in November, 1939.

The Reserve Fund stood at £126,700 on March 31, 1940, and is expected to show a balance of £132,000 on that date of the present year.



## AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, January 16, 1941.—Production of wheat in Australia for the 1940-41 season is estimated at 91,900,000 bushels. [Mr. Palmer's cable of February 17, published last week, gives a later estimate of 83,300,000 bushels.] Approximately 55,000,000 bushels will be required for home consumption. With an unsold surplus of 25,200,000 bushels on December 31, 1940, wheat available for export from Australia during 1941 may approximate 62,000,000 bushels, of which quantity 30,000,000 bushels will be milled for export as flour. More than 73,000,000 bushels of wheat were sold by the Australian Wheat Board during the 1939-40 season for milling for the local and export flour trade.

To enable the 1939-40 wheat harvest to be acquired by the Australian Wheat Board, the Federal Government provided £A36,815,000 for advances and for capital and operating expenses. Of this sum £A23,977,000 has been repaid from proceeds of sales and the flour tax, the overdraft at present being £A12,838,000.

The matter of drought relief was the subject of a conference between the Federal Government and the State premiers. As a result, loan moneys totalling £A2,770,000 have been allocated to the States as follows: New South Wales, £A750,000; Victoria, £A600,000; Queensland, £A250,000; South Australia, £A600,000; Western Australia, £A570,000; Tasmania, nil. The money will be repayable by the States at the end of seven years. No repayments will be made for the first three years but the States will be required to make four annual payments commencing with the fourth year. The Commonwealth Government will bear the whole of the interest for the first year and half of the interest for the remaining six years.

### WHEAT INDUSTRY STABILIZATION SCHEME

Details of this scheme were published in *Commercial Intelligence Journal* No. 1925 (December 21, 1940), page 801, and steps have already been taken to put the scheme into operation. All wheat farms in Australia must be registered before growers may grow wheat for grain in the 1940-41 season. While it is not intended to reduce acreage this season, government officials advised farmers not to prepare for sowing more than the average acreage, based on the areas sown to wheat for grain by them in the last four seasons. Any person may apply to the Wheat Board for a licence to grow wheat and provision is made in application forms for share-farming and other similar agreements or arrangements.

### WHEAT PRICES

Approximate export prices f.o.r. ports during the month of November in the years 1935 to 1940 were as follows: 1935, 40·11d.; 1936, 56·87d.; 1937, 53·98d.; 1938, 30·34d.; 1939, 32·00d.; 1940, 47·25d.

## BUSINESS CONDITIONS IN THE WESTERN UNITED STATES IN 1940

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, February 12, 1941.—The Federal Reserve Bank's review of conditions in the eleven Pacific Coast and Mountain States during 1940 reports that, as in most other parts of the United States, developments have been a direct reflection of events in Europe.

Stimulated by the conditions which led to the outbreak of war, business activity had begun to improve during the last half of 1939. Industry and incomes were, therefore, at higher levels at the beginning of 1940 than at the start of the previous year. A slight decline occurred during the first months

of 1940 when the war appeared to be settling down to a "sitzkrieg", and the conviction grew that the degree of industrial expansion and construction, as visualized at the outbreak of the war, might not be warranted. However, events in April and May revealed that the plans of late 1939 were by no means extravagant, and as the United States defence program took form it became evident that to supply equipment to friendly belligerents and at the same time fulfil the domestic rearmament plans, Western industrial capacity would require to undertake a vast expansion.

The building trades were the first to benefit as construction of new camps, flying fields and housing was started by the Federal Government. The expansion of aircraft factories and shipbuilding yards, partly with Federal Government assistance of some kind, and a rising volume of private building, all contributed to a boom in the construction and related industries. The war and the defence program have also stimulated activity in other industries despite the loss of foreign markets.

This marked improvement in business generally has naturally been accompanied by increased employment, extension of the hours of work and rising wage rates. There is a shortage of skilled workers for defence industries and special training schools have been organized. Factory payrolls in the three Pacific Coast States reached the highest point on record at the end of 1940. Farm income continued to improve in spite of reduced exports and the income for the year is estimated at 8 per cent above that of 1939.

Retail trade was slow in the early months of the year and lagged behind the tempo of industrial output and consumer incomes until November and December, when a noticeable revival set in. Retail sales are now reported to be higher than at any time in over ten years. Retail business in 1940 gained 8 per cent as compared with 1939. Motor car sales in California increased by 35 per cent over 1939 to a total of 283,641 units.

The following table shows the main business indices (1923-25 average equals 100), as published by the Federal Reserve Bank of San Francisco, with respect to the eleven Western States:—

	Annual Average	
	1939	1940
Lumber (volume)* . . . . .	83	92
Refined oils (volume)* . . . . .	160	158
Cement (volume)* . . . . .	110	121
Wheat flour (volume)* . . . . .	123	118
Petroleum (volume)* . . . . .	93	93
Residential building permits (value)* . . . . .	55	70
Public works contracts (value)* . . . . .	185	292
Electric power production (value)* . . . . .	212	232
Employment (Pacific Coast States) . . . . .	110	128
Payrolls (Pacific Coast States) . . . . .	108	130
Department store sales (value)* . . . . .	99	102
Department store stocks (value) . . . . .	64	62
Furniture store sales (value)* . . . . .	80	86
Furniture store stocks (value) . . . . .	69	73
Automobile sales (number)* . . . . .	96	128
Carloadings (number)* . . . . .	85	90
Intercoastal traffic (volume) . . . . .	88	65

\* Daily average.

#### DEFENCE PROGRAM

As the foregoing comments indicate, business on the Pacific Coast has been given a tremendous impetus by the national defence program, which has resulted in the awarding of some \$2,000,000,000 in orders to industries in this area up to the middle of January. This huge sum represents about 45 per cent of the average annual Western income during the past three years, a fact which gives some idea of the volume of business that is going to be created in this area. During the first six months of the national rearmament program (beginning in June), Pacific Coast States received over 16 per cent of the Federal Government's total contracts. California got 72 per cent of the West's

total; Washington, 23 per cent; and Oregon, Utah, Montana and Idaho followed in that order, none getting over one per cent. About 45 per cent of the orders coming to the West are for aircraft, 37 per cent for shipbuilding and 16 per cent for defence construction.

#### AVIATION

Aircraft production on the Pacific Coast is carried on in eight major factories employing 80,000 workers or about double the number employed at the beginning of 1940, and the total is increasing. Finding sufficient trained labour is a problem. Production increased in 1940 by 58 per cent to an estimated total value of over \$170,000,000. This increase is the more remarkable when it is remembered that it occurred during the period when the industry was engaged in retooling to fill British orders and to meet United States' defence requirements.

The current backlog of unfilled orders is valued at approximately \$1,500,000,000, deliveries in 1940 being less than 12 per cent of contracts in hand. The unfilled orders were over five times as great at the end of 1940 as at the close of 1939. Contracts have been awarded for the expansion of the aircraft plants and equipment and this construction is currently in progress, although much of the new facilities will not be in use until the end of 1941.

The outlook for the aircraft industry is very much better than in the spring of 1940 when the collapse of France led to the fear that expansion in the plants up to that time might have been in vain. The improved position of Great Britain and the United States rearmament program have changed the prospect for the future. The risks of expansion have been removed by the Government's policy of amortization of new factories and extensions over a five-year period. In addition, the Government is building aircraft factories and leasing them to private companies with the option to buy. Regardless of the British position, the aircraft industry in the Western States is assured of a least two years' work on American defence needs.

A development worthy of mention here was the opening of a pig aluminium plant in September near Vancouver, Washington, close to the power supplied by new Federal projects. The annual capacity from two units is rated at 60,000,000 pounds, and the completion of three more units is expected to increase this production by 150 per cent. Most of the output will be used by the aircraft industry.

#### SHIPBUILDING

There are now 16 companies on the West Coast engaged in building sea-going ships or preparing shipyard facilities for that purpose as against only five a year ago. The number of employees has doubled and the shortage of skilled workers is one of the principal problems. The backlog of orders is valued at almost \$1,000,000,000.

#### CONSTRUCTION

The total value of all Western building contracts placed in 1940 is estimated at \$658,000,000, the largest total in over a decade and an increase of 62 per cent over 1939.

Defence construction undertaken in the Western States by the Federal Government, especially during the last half of the year, totalled almost \$250,000,000 in 1940. This includes residential buildings and barracks, administration buildings, engineering works such as construction of flying fields and harbour improvements, and financial aid to shipyards and aircraft factories. Approximately \$85,000,000 of the above total is for construction in Northern California, and over \$90,000,000 in Southern California, the expenditures in this state representing 70 per cent of the total. Some \$48,000,000 or 19 per cent of the total is to be spent in Washington.



Non-military engineering projects accounted for further large governmental and private expenditures in this area, although appropriations under this heading are tending to decrease with the completion of the large power projects, highway construction and other public works.

New residential construction in urban centres throughout the area is estimated to have added 80,000 dwelling units valued at almost \$300,000,000 in 1940, as compared with 71,000 units valued at \$231,000,000 in 1939. Despite this increased building activity, there is a shortage of housing in a number of localities near military and naval bases and armament production centres.

Non-residential construction showed the largest increase with contracts totalling \$313,000,000, an increase of 162 per cent over 1939.

### BUILDING MATERIALS

*Lumber.*—During the first months of the war, at the end of 1939 and early 1940, the West Coast lumber industry was swamped with orders. Thereafter, business tended to decline until about mid-year, when a sharp rise began, and unfilled orders by the end of September totalled 1,200,000,000 board feet. Despite a slackening of business the backlog of unfilled orders at the close of 1940 still exceeded 1,000,000,000 board feet due in part to a two-month steam schooner strike which interfered with deliveries, and also to a strike in the mills and logging camps in the Seattle district. Both these strikes were settled in December.

The plywood factories in the Northwest were unable to cope with the demand and additions to plant and equipment are in progress.

*Cement.*—Production of cement in California increased considerably in 1940, reaching the highest rate in history by the end of the year, although production for the year was below the all-time record set in 1927. The major portion of Californian production was accounted for by a new plant built to supply the Shasta Dam project. In the Northwest production was reduced as the Grand Coulee Dam is nearing completion. In the three Coast States production was about 60 per cent of capacity and totalled 18,500,000 barrels.

### STEEL

The principal production of steel ingots in the West is in California, where plants operated at an average of 86 per cent of capacity in 1940, reaching 93 per cent of capacity during December. Production for the year totalled 740,000 tons as compared with 590,000 tons in 1939. The Western States produce only part of their steel needs and shipments from the East totalled 1,156,000 tons as compared with 932,000 in 1939.

### PULP AND PAPER

The stoppage of supplies from Scandinavian countries brought new mills into production on the West Coast and caused the re-opening of others. Production was therefore greater in 1940 than in the previous year. Paper output was about 7 per cent greater than that of the record year 1939 and pulp output is believed to have exceeded the previous record year, 1936.

### MINING

The output of both copper and zinc was higher than in any previous year. Though lower than in 1929 and 1937, lead production exceeded the 1939 output. Lowered gold output reflected reduced production in California due to a strike in one of the large refineries which left the producers without a market for their concentrates for a period of about four months.

## PETROLEUM

The loss of export markets and the possibility of Federal Government control are the major problems of the California oil industry. However, the reduced exports were compensated for by a considerable expansion in domestic business, especially for heavy fuels and diesel oils. Stocks at the end of December were lower than at the close of 1939. Average output during the year was 609,000 barrels as compared with 612,000 in 1939, the reduction being the result of voluntary action on the part of the producers. There were 900 new wells brought into production in California during 1940 as against 851 in 1939.

## MOTION PICTURES

Staffs and payrolls were reduced during 1940 in the motion-picture industry, and it was less active than in 1939, due to the loss of foreign markets, although approximately the same production schedules were maintained. Producers have heretofore looked to export markets for the major part of their actual profits, since domestic business, in the case of major productions at least, has usually returned only the cost of making the pictures. The situation has called for a considerable readjustment of the policy and methods of the studios, requiring economies and a study of other markets, chiefly South American. In the domestic market, producers expect to benefit from increased public income resulting from the national defence program.

## AGRICULTURE

Acreages throughout this region were about the same as in 1939, and with generally good growing conditions yields were at or above record in the year under review. Live-stock production in many cases reached the highest level in years. With carryovers from the previous year, supplies of all farm products in the Western States were abundant, the exceptions being in Arizona and Utah where drought and disease reduced crops, especially sugar beets, and affected live-stock output.

The loss of foreign markets curtailed the disposal of many products, such as dried and fresh fruits, barley, cotton and wheat, but this loss was offset by improved domestic demand, partly as a result of government purchases, with the final result that farm income from crops, live stock and live-stock products averaged 8 per cent above the 1939 returns and 12 per cent over those of 1938. However, the income was still 11 per cent below that of 1937, the record for recent years. These figures include some \$52,000,000 in Federal Government direct cash payments to farmers in 1940, or about 5 per cent of the total farm income.

Frost damage to the citrus crops of Florida benefited the growers of California and Arizona. A record crop and better prices for oranges produced higher incomes for the industry as a whole, although lemon and grapefruit growers suffered falling prices for their crops.

## CANNING INDUSTRY

Even in the face of shrunken foreign markets, the West Coast fruit and vegetable canning industry achieved a satisfactory position in 1940. Increased domestic sales offset the loss of foreign business and stocks at the end of the year were the lowest in four years. Government purchases under the national defence program are expected to take care of surplus stocks of canned vegetables, mainly tomato products. While exports of fresh, canned and dried fruits have fallen to a third or one-half of normal, exports of canned and dried milk, salmon and sardines have increased as a result of the war.

## BANKING

For the seventh consecutive year there were no bank failures in the Western States during 1940. Banking resources to meet the credit needs of

the area increased, but it is not yet known whether they will be adequate to meet the demands that will result from the national defence activities during 1941.

### FOREIGN TRADE

Exports from the Pacific Coast in 1940 totalled \$361,758,144, as compared with \$386,969,401 in 1939, a decrease of approximately 7 per cent. Imports increased by 42 per cent to \$243,629,443 from \$171,586,900 in 1939. This large increase represented purchases of strategic materials, such as tin and other metals, and, more recently, deliveries of Australian wool. Los Angeles again led the Pacific Coast ports in total value of exports. A slightly larger volume of imports entered through San Francisco than through Los Angeles.

An analysis of the foreign trade by ports is tabled below:—

	Imports		Exports	
	1939	1940	1939	1940
Total California . . . . .	\$128,831,215	\$194,652,134	\$278,217,570	\$246,121,198
Los Angeles . . . . .	66,789,283	93,907,881	152,444,325	125,399,132
San Francisco . . . . .	59,574,338	98,309,839	119,516,145	113,686,277
San Diego . . . . .	2,476,594	2,634,414	6,257,100	7,035,789
Oregon . . . . .	8,305,144	6,828,156	30,418,851	28,297,893
Washington . . . . .	34,450,541	41,949,153	76,332,980	87,339,053
Total Pacific Coast . . . . .	\$171,586,900	\$243,629,443	\$386,969,401	\$361,758,144

Monthly totals of exports during the year moved downward from \$39,000,000 in January to \$27,000,000 in December with only July and October as exceptions. The trend of imports, on the other hand, was upward from \$21,000,000 in January to as high as \$29,000,000 in November. The war has altered the nature of the trade, reducing exports of foodstuffs and farm products from San Francisco and Washington ports, but increasing exports of aircraft, lumber and other materials from Southern California and Washington respectively.

Trade between West Coast ports and Canada during 1940 is shown in the following table:—

	Imports from Canada		Exports to Canada	
	1939	1940 (estimated)	1939	1940 (estimated)
Total California . . . . .	\$ 4,313,826	\$ 5,811,543	\$10,808,924	\$11,582,100
Los Angeles . . . . .	2,763,438	3,717,464	6,869,231	6,910,229
San Francisco . . . . .	1,491,157	1,934,401	3,938,683	4,671,445
San Diego . . . . .	59,231	159,678	1,010	426
Oregon . . . . .	69,316	115,754	3,601	10,048
Washington . . . . .	17,376,077	20,446,983	15,072,193	15,868,657
Total Pacific Coast . . . . .	\$21,759,219	\$26,374,280	\$25,884,718	\$27,460,805

### OUTLOOK

Unless international events create entirely changed conditions, 1941 should be a year of great business activity, higher incomes and prosperity in Western United States. As has been indicated in almost every section of this report, the enormous rearmament program of the Federal Government is by far the most important current influence on economic developments in this area, and it is hard to foresee events that would lead to the curtailment of these expenditures. Aside from this immediate stimulus, the increased industrialization that is taking place will have a long-term effect on Western business either for good or ill. The possible ill-effects would arise from the fact that the impending prosperity is undoubtedly based very largely upon abnormal and artificial factors.

Nevertheless, the area is becoming rapidly more self-sufficient, and, as shown by the census returns of 1940, is attracting population at a more rapid rate than any other part of the country, especially to California. Indications are, therefore, that the present expansion of business and industry will be to some extent at least of a permanent character, and if this is the case the Western States will become increasingly important markets for many Canadian products.



## CONDITIONS IN ARGENTINA IN 1940

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, January 31, 1941.—Argentina is feeling the adverse effects of the war. The closing of the continental European markets and the reduced shipments to the United Kingdom have left very large unsaleable surpluses of live stock and grain in the country.

There is a lack of adequate storage facilities to carry these grain surpluses and there will probably be 250,000,000 bushels of unsaleable corn destroyed within the next few months. Another very large corn crop will be harvested next month and there are few markets in sight for it.

The Argentine Government is buying the crops from the producers but there is increasing unemployment in the rural as well as in the urban centres. Minimum prices have been fixed for certain classes of live stock in order to support domestic prices.

Argentina has few markets left in which to dispose of her export surpluses. It follows that there are correspondingly few countries left to supply the requirements of Argentina in raw materials and manufactured goods. In addition, the United Kingdom is paying for a smaller proportion of purchases from Argentina with manufactured goods. The domestic manufacturing industries are being expanded to help make up the shortage in imported goods. Argentina's main difficulty arises from a shortage of dollars to pay for all the imported goods that must be purchased from North America. The Argentine Government is not allowing any goods to be imported from the dollar area that are not absolutely essential to the functioning of the Argentine domestic economy at a low level.

Until last May the external trade of Argentina was little affected on balance. Exports increased, in fact, during the first months of the year. Due to the closing of European outlets and reduced purchases later by the United Kingdom, however, total exports were 26·4 per cent lower in volume in 1940 than for 1939. They were valued at 1,427,933,000 pesos (\$472,000,000). Imports at 1,498,757,000 pesos (\$495,000,000) showed an increase of 12 per cent in value but a decrease of 17 per cent in volume from 1939. Argentina had an unfavourable balance on merchandise account alone of \$23 million as compared with a favourable balance of \$75 million in 1939.

The United Kingdom took 36·4 per cent of Argentina's exports and supplied 19·8 per cent of the imports in 1940 as compared with 35·9 and 19·9 per cent respectively in 1939. Consequently, the relative position of the United Kingdom remained unchanged last year. However, arrivals of United Kingdom goods during the final quarter of 1940 were 20 per cent below the corresponding quarter of 1939.

The United States supplied 29·1 per cent of Argentina's import requirements in 1940 as compared with only 17·2 per cent in 1939 and purchased 17·5 per cent of the exports as compared with 12 per cent in 1939. European countries only supplied 16·4 per cent of the 1940 imports—largely during the first five months—as compared with 36·6 per cent in 1939, and took 26·4 per cent of the exports as against 40·2 per cent in 1939.

### EXCHANGE SITUATION

All imports of merchandise into Argentina are under official control. The prospective buyer must obtain an import permit covering each order placed abroad. The Argentine exchange problem may be discussed in relation to the sterling and dollar areas.

*Sterling Area.*—The Argentine Government places no restrictions on imports which can be paid for in sterling. In fact, the problem arises from the difficulty being experienced in getting enough goods from the sterling area, and particularly

from the United Kingdom, to permit Argentina to use all the sterling arising from her sales of meats and grain to the United Kingdom. The sterling balances which Argentina holds in London, cannot be used to pay for imports from North America or other dollar countries. There has been a reduction in the volume of manufactured goods arriving from the United Kingdom in recent months, and it is stated that there will be a still further reduction in 1941. However, the United Kingdom is also taking less grain and meats from Argentina, so the frozen sterling balances in London may not present a serious problem to Argentina.

*Dollar Area.*—Argentina cannot increase purchases from North America owing to lack of dollar exchange. Argentina has to budget the dollars that are available in order to be able to buy the commodities that are absolutely essential. The sum of \$110 million in dollar credits just granted by Washington will merely take care of the estimated deficit for 1941, an estimate based on very severe restrictions on imports from North America.

The Argentine Government has had to ship \$60 million worth of gold to New York from its reserves to meet part of the dollar deficit in 1940. The dollar financial services are estimated at \$22 million for 1941. In order to obviate the necessity of making further shipments of gold in 1941, the dollar credits were negotiated in Washington and Argentina plans to limit imports to be paid for in dollars on the following basis:—

- (a) Essential raw materials and essential manufactured goods as required by Argentine industries will be admitted without restriction in 1941.
- (b) Automotive products, including trucks, passenger cars, chassis, parts, and farm implements and machinery will be restricted in 1941 to one-third of the actual imports in 1940. Imports of farm implements were restricted in 1940 to 50 per cent of the average imports of previous years and automobile imports were also seriously restricted in 1940.
- (c) A specified list of other essential manufactured and partly manufactured goods, not obtainable elsewhere, will be admitted up to 50 per cent of the actual imports from the same source in 1940. This list of goods covers all classes of lumber, paper except newsprint, tools, etc. In general, permits are only obtainable under pressure from the buyer and after it can be shown that the particular goods are absolutely essential.
- (d) *Latin America.*—Argentina has a favourable merchandise balance with most of the other Latin American countries. The Argentine Government is making every effort to encourage an increase in the exchange of goods with Latin neighbours. A new trade agreement has been signed recently with Brazil under which Argentina will increase purchases from Brazil of manufactured goods, including cotton piece-goods, in return for increased purchases of wheat by Brazil. Argentine purchases of lumber from Brazil are being encouraged and the Argentine Government has placed a large order for Brazilian cotton goods for making grain bags. Jute has been used exclusively in the past for this purpose.  
A Regional Economic Conference has been held in Montevideo this month, attended by Brazil, Argentina, Uruguay, Paraguay and Bolivia. The objective is increased economic and financial co-operation, the ideal being an eventual customs union to be arrived at through bi-lateral and multi-lateral trade agreements.
- (e) *Other Countries.*—Argentina has a clearing agreement in force with Japan. Barter agreements have been negotiated with Spain covering the exchange of Argentine grain for manufactured goods from Spain.

#### EXTERNAL DEBT

The public debt of Argentina, including national, provincial and municipal, is equivalent to \$204 Canadian per capita. The expenditures of the National Government amounted in 1939 to \$483,000,000, of which \$362,000,000 was met by ordinary revenues and the remainder from the sale of bonds. (Bond issues included \$74,000,000 for the servicing of the national public debt, \$75,000,000 for the War and Navy Departments and \$58,000,000 for public works.) General administration accounted for 53 per cent of the aggregate expenses for 1939. Customs collections contributed 34 per cent and taxes on incomes 12 per cent of the revenues in 1939.

The Government has budgeted for a substantial deficit in 1941. The necessary decrease in imports of merchandise will seriously affect revenues in 1941.

The following table shows Argentina's internal and external debt outstanding at June 30, 1940:—

	External Aggregate Figures in	Internal Canadian Dollars to the Dollar	Total at rate of 3.02 Pesos
National . . . . .	\$580,311,690	\$1,265,603,037	\$1,845,914,727
Pounds sterling . . . . .	44,514,545		
United States dollars . . . . .	303,543,346*		
Swiss francs . . . . .	132,526,100		
Spanish pesos . . . . .	80,519,500		
Provincial . . . . .	\$174,208,151	\$ 350,430,158	\$ 524,638,309
Pounds sterling . . . . .	16,955,996		
United States dollars . . . . .	72,348,090		
Swiss francs . . . . .	28,149,156		
Municipal . . . . .	\$ 19,502,038	\$ 261,539,422	\$ 281,041,460
Pounds sterling . . . . .	2,461,580		
United States dollars . . . . .	7,286,205		
French francs . . . . .	2,785,000		
Total . . . . .	\$774,021,879	\$1,877,572,617	\$2,651,594,496
Per capita . . . . .	\$59.54	\$144.43	\$204.00

\* Includes \$110 million in credits negotiated in December, 1940.

Argentine internal 5 per cent bonds of the National Government are currently quoted at approximately par, while 4 per cent issues are at 88 to 90. The Central Bank has had to support the market for short intervals since the outbreak of war.

### COMMERCIAL STABILITY

There has been so far no increase in bankruptcies since the outbreak of the war, despite the fact that the external trade is at a much lower level. The policy of the Government in guaranteeing even the present low minimum prices to the producers of agricultural products has served so far to assist materially towards maintaining domestic purchasing power and the restrictions against imports have prevented trading firms from over-extending.

Domestic manufacturing industries are being expanded and many new industries are being started in an effort to replace many manufactured lines that are either not obtainable now from abroad or are only available from the dollar area. This expansion has tended to relieve the unemployment situation. However, many of the manufacturing industries which supply the large share of the domestic demand, particularly in such staple lines as textiles and clothing, have had to curtail production due to reduced consumer demand. There is also growing unemployment among commercial firms.

### LIVE-STOCK INDUSTRY

The live-stock industry supplied 49 per cent of the total exports from Argentina in 1940. The agricultural industries accounted for 41 per cent, leaving only 10 per cent for all other exports. In the pre-war years 1936 to 1939, continental Europe took the following percentages of the main items of export from Argentina: wheat, 40 per cent; corn, 45 per cent; flaxseed, 61 per cent; meats, 10 per cent; hides, 60 per cent; wool, 50 per cent. With the exception of Spain, these markets are now closed to Argentina.

### EXPORTS OF ANIMAL PRODUCTS

Argentina exported 1,240,327,000 pounds of meats of all kinds during 1940 as compared with 1,475,484,000 pounds in 1939, a decrease of 15.9 per cent in volume. There was also a decline of 8.3 per cent in the total value of meat shipments as compared with 1939. The United Kingdom normally takes over 80 per cent of all the meats exported from Argentina.

The turning-point in the Argentine meat export trade came after the fall of France. During the last half of 1940 total meat exports were 40 per cent



below the volume of the first half of the year. They also fell approximately 40 per cent in value. Apart from the comparatively small quantity of canned meats sold to the United States and Canada, the United Kingdom is now practically the sole buyer of Argentine meats.

The following table shows the exports of meats and other animal products in 1940 and 1939 and the average exports for the five years 1935 to 1939:—

*Exports of Meats and other Animal Products from Argentina*

Meats—	1940	1939	1935-39 Average
	Thousands of Pounds		
Chilled beef* . . . . .	626,486	779,386	772,243
Frozen beef . . . . .	197,007	243,710	165,650
Frozen mutton . . . . .	136,277	120,750	111,987
Frozen pork . . . . .	3,428	13,897	18,740
Salted beef . . . . .	4,032	9,232	10,582
Salted pork . . . . .	1,116	4,131	5,647
Tinned meats . . . . .	176,057	181,919	164,328
Tongue . . . . .	10,487	10,430	9,210
Offals . . . . .	61,403	67,139	60,416
Frozen poultry . . . . .	928	5,076	3,941
Meat extract . . . . .	18,644	25,342	27,916
Pork products . . . . .	1,995	10,267	13,993
Other meats . . . . .	2,467	4,205	3,419
Total quantity . . . . .	1,240,327	1,475,484	1,368,272
Millions of Pesos			
Total value . . . . .	308	333	296
Millions of Canadian Dollars			
	102	110	98
Thousands of Pounds			
Other animal products—			
Cattle hides . . . . .	289,795	325,280	308,307
Other hides . . . . .	39,791	49,715	53,824
Greasy wool . . . . .	218,315	270,485	256,156
Other wool . . . . .	80,221	58,748	49,568
Dairy products . . . . .	84,568	71,010	60,820
Animal sub-products . . . . .	439,522	509,514	477,270

\* Shipped frozen since the outbreak of the war.

The following table shows the volume and total values of meats and other animal products exported in the first and second half of 1940 and the increase or decrease in the second half of the year as compared with the first half:—

*Exports of Meats and other Animal Products in 1940*

Meats—	Jan.-June	July-Dec.	Inc. or Dec.
	Thousands of Pounds	Thousands of Pounds	July-Dec. Per Cent
Chilled beef* . . . . .	360,816	265,670	— 26
Frozen beef . . . . .	169,763	27,244	— 84
Frozen mutton . . . . .	100,834	35,443	— 65
Frozen pork . . . . .	3,062	366	— 88
Salted beef . . . . .	1,896	2,136	+ 13
Salted pork . . . . .	494	622	+ 26
Tinned meats . . . . .	73,828	102,229	+ 39
Tongue . . . . .	6,349	4,138	— 35
Offals . . . . .	38,334	23,069	— 40
Frozen poultry . . . . .	397	531	+ 34
Meat extract . . . . .	12,811	5,833	— 54
Pork products . . . . .	1,063	932	— 12
Other meats . . . . .	1,400	1,067	— 24
Total quantity . . . . .	771,047	469,280	— 40
Millions of Pesos			
Total value . . . . .	192	116	— 40
Millions of Canadian Dollars			
	63	38	
Thousands of Pounds			
Other animal products—			Per Cent
Cattle hides . . . . .	164,624	125,171	— 24
Other hides . . . . .	20,834	18,957	— 9
Greasy wool . . . . .	131,482	86,833	— 34
Other wool . . . . .	43,413	36,808	— 15
Dairy products . . . . .	38,763	45,805	+ 18
Animal sub-products . . . . .	260,744	178,778	— 31

\* Shipped frozen since the outbreak of the war.

The decrease in meat export sales presents a serious problem for the live-stock raising industry in Argentina. It is officially estimated that Argentina would have 2,200,000 head of chiller quality export steers to sell in 1941. On the basis of existing export contracts, 500,000 of these steers will have to be sold as canners or for domestic consumption. There will be a further increase in the export of canned beef in 1941 at the expense of higher-priced frozen beef exports. It is understood that the United Kingdom has placed recently a contract for 220 million pounds of canned beef. Further, one grade of frozen beef will be shipped de-boned in future.

#### FIXED PRICE POLICY

The Argentine Government has fixed the live-weight prices paid to producers by the packers for export steers for a number of years. The Government has now extended this fixed-price policy to cover all steers conforming to the established export grades, whether sold for actual export in whatever form or for domestic consumption. The producer will be paid on the basis of the export grade irrespective of the ultimate utilization of the steers. The packers will buy the steers on a "price to be fixed" basis and the grading will be done in the packing plant after slaughter. This is an effort to protect the domestic price structure and to equalize the returns to producers selling steers of the same grade or quality. Producers will be paid a price slightly below that warranted under the United Kingdom contracts for top or chiller grade steers and slightly more for canner steers. Under the previous system for fixing export prices only, and with reduction in exports, those breeders fortunate enough to be able to sell for export obtained the related high price, whereas the less fortunate breeders had to sell at about one-third less for other use. The Argentine Government has provided an initial amount of some \$5 million to meet expected losses under this fixed price policy.

#### LIVE-STOCK SLAUGHTERINGS

The meat packers in Argentina slaughtered 4,069,710 head of cattle during 1940 as compared with 4,424,172 in 1939, 5,481,050 head of sheep and lambs as compared with 5,563,275, and 897,759 hogs as against 869,435 in 1939.

There were 941,940 head of cattle slaughtered by the packers in Uruguay in 1940 as compared with 961,096 head in 1939. The corresponding figures for sheep and lambs in Uruguay were 1,330,657 and 1,501,752 head.

#### WOOL

In pre-war years continental Europe normally took 50.2 per cent of the wool exported from Argentina. The United Kingdom took another 25 per cent, the United States 18.4 per cent and Japan 4.1 per cent. The United States is now the heaviest buyer of wool from Argentina and will probably take a large proportion of the present clip. Japan and Soviet Russia are the other buyers of Argentine wool. The prospects for wool exports are probably brighter than for any other Argentine export commodity. Wool prices improved sharply in November.

#### HIDES

Argentina depended on continental Europe to take over 60 per cent of her hide exports before the war. Cattle hide prices in December were 13 per cent below the peak reached in March, 1940.

#### GRAIN

Argentine exports of grain were 18.8 per cent lower in volume during 1940 than in 1939. However, grain exports for the final half of 1940 were 57.1 per cent below the level of the first half of the year due largely to reduced shipments of corn.

*Wheat.*—Argentina has just harvested a large crop of wheat. The crop is estimated officially at 275,733,700 bushels as compared with a ten-year average of 230,530,751 bushels. Excessively heavy rains at harvest time lowered the quality of the crop in most of the producing zones. There is practically no carryover of wheat from the 1939-40 crop. Argentina has an assured market in neighbouring Latin American countries—Brazil is the large consumer—for around 40,000,000 bushels of wheat. Home consumption, including seed, will require probably 100,000,000 bushels. This would leave approximately 136,000,000 bushels for which the only markets in sight are the United Kingdom and, for a relatively small quantity, Spain. Continental Europe took an average of 40 per cent of the Argentine exports of wheat before the war.

During 1940 Argentina exported 133,976,194 bushels of wheat, of which 63 per cent was exported during the first half of the year. Argentina had a large carryover of wheat from 1939 but the 1939-40 crop was much below the average at only 119,441,800 bushels. Consequently, there has not been a serious problem to date with wheat. There will be a problem in 1941, however, although it will not be as serious for Argentina as in other lines of agricultural production.

The Argentine Government has guaranteed a minimum price for wheat of 54 cents per bushel for the 1940-41 crop. The legislation establishing the guaranteed price provides that the Government may oblige producers to reduce their acreage by 10 per cent for the next crop. It also imposes a tax on wheat flour milled in Argentina for home consumption by providing that the millers have to buy their wheat at 33 per cent above the guaranteed price.

*Corn.*—Argentina harvested 418,896,800 bushels of corn in the March-April period last year. Normally, 80 per cent of the Argentine corn crop is sold in export markets. Exports of corn amounted only to 73,797,608 bushels during 1940 and for the last half of 1940 to 20,531,000 bushels only. The carryover of corn at the close of the present crop year on March 31, 1941, is estimated at around 250 million bushels. The corn is stored unshelled on the farms. This surplus will probably have to be destroyed shortly as insect damage does not permit corn being held much over a year. Continental Europe took an average of 44.8 per cent of Argentine corn exports in peacetime.

Argentina is on the point of harvesting another very large corn crop. The weather has been ideal for corn growing this season and there is little or no danger of damage to the crop now. There are virtually no markets in sight for the disposal of this corn crop. If conditions have not changed a year from now, Argentina may well have destroyed, or be on the point of deciding to destroy, a possible aggregate of 600,000,000 bushels of corn.

The Argentine Government has paid the growers a minimum price of 36 cents Canadian per bushel for the 1940 corn crop and has promised to buy the 1941 crop.

*Flaxseed.*—Argentina has just harvested a 61,692,709-bushel crop of flaxseed as compared with a ten-year average crop of 66,553,135 bushels. The crop suffered much damage from unusually wet weather at harvest time. The flaxseed is almost entirely for export as flaxseed or in the form of oil-cake. The principal market for the oil-cake was in the dairying centres of Northern Europe. Argentina exported 29,613,760 bushels of flaxseed in 1940 as compared with an average of 59,180,661 bushels over the past five years. Continental Europe normally took 61 per cent of the flaxseed exports before the war in addition to the oil-cake. The United States took 30.1 per cent and the United Kingdom only 4 per cent.

The Government has guaranteed a minimum price to flaxseed growers. The prospects for flaxseed sales in 1941 will depend largely on the requirements of the United States and Canada.

*Other Grain.*—Argentina has just harvested the following other grain crops: oats, 41,666,125 bushels; barley, 36,711,849 bushels; rye, 16,948,785 bushels. Exports of these grains during 1940 were: oats, 14,486,323 bushels; barley, 17,860,661 bushels; rye, 6,551,719 bushels.



## GRAIN EXPORTS

The following tables show the volume of grain and other agricultural exports in 1940 as compared with 1939 and the average for the five years ended 1939:—

*Exports of Grains and other Agricultural Products*

	1940	1939	1935-39 Average	1940 Jan.-June,	1940 July-Dec.,
			Figures in Bushels		
Wheat . . . . .	133,976,194	174,365,983	117,890,754	84,585,326	49,390,868
Corn . . . . .	73,797,608	125,829,394	239,044,688	53,731,704	20,065,904
Flaxseed . . . . .	29,613,760	46,582,702	59,180,661	24,160,424	5,453,336
Oats . . . . .	14,486,323	23,332,446	22,013,516	13,403,652	1,082,671
Barley . . . . .	17,860,661	11,919,432	12,788,979	15,238,334	2,622,327
Rye . . . . .	6,551,719	7,671,284	5,247,265	6,035,578	516,141
			Figures in Short Tons		
Birdseed . . . . .	10,180	7,565	13,398	4,833	5,347
Other cereals . . . . .	53,761	54,089	46,333	47,130	6,631
Wheat flour . . . . .	77,841	108,590	98,504	44,800	33,041
Mill feeds . . . . .	359,758	430,666	432,017	189,579	170,179
Oil-cake . . . . .	60,591	124,489	119,847	40,227	20,364
Other oil-seed products . . . . .	99,922	97,263	83,740	54,062	45,860
Fresh fruits . . . . .	26,914	57,949	33,877	25,843	1,071
Corn products . . . . .	9,585	43,846	24,110	7,023	2,562
Raw cotton . . . . .	23,800	21,327	30,748	11,790	12,010
Vegetables . . . . .	46,500	15,000	22,624	9,548	36,952
Alfalfa seed . . . . .	295	593	588	151	144
Others . . . . .	42,087	74,934	47,483	28,533	13,554

## EFFECTS OF THE WAR ON GRAIN EXPORTS

The effect of the closing of the Continental European markets last May to Argentine grain and other agricultural products is indicated in the following table which shows half-yearly exports in the past two years:—

*Exports of Grains and other Agricultural Products in 1939 and 1940*

	1939 Jan.-June	1939 July-Dec.	1940 Jan.-June	1940 July-Dec.
			Figures in Bushels	
Wheat . . . . .	85,992,027	88,373,956	84,585,326	49,390,868
Corn . . . . .	65,795,853	60,033,541	53,731,704	20,065,904
Flaxseed . . . . .	29,774,704	16,807,998	24,160,424	5,453,336
Oats . . . . .	10,734,750	12,597,696	13,403,652	1,082,671
Barley . . . . .	8,529,798	3,389,634	15,238,334	2,622,327
Rye . . . . .	2,862,947	4,808,337	6,035,578	516,141
			Figures in Short Tons	
Birdseed . . . . .	4,670	2,895	4,833	5,347
Other cereals . . . . .	26,441	27,648	47,130	6,631
Wheat flour . . . . .	53,716	54,874	44,800	33,041
Mill feeds . . . . .	218,820	211,846	189,579	170,179
Oil-cake . . . . .	50,966	73,523	40,227	20,364
Other oil-seed products . . . . .	44,881	52,382	54,062	45,860
Fresh fruits . . . . .	56,462	1,487	25,843	1,071
Corn products . . . . .	25,699	18,147	7,023	2,562
Raw cotton . . . . .	4,041	17,286	11,790	12,010
Vegetables . . . . .	10,380	4,620	9,548	36,952
Alfalfa seed . . . . .	404	189	151	144
Others . . . . .	31,964	42,970	28,533	13,554

## OUTLOOK

The presence of unsaleable export surpluses forms the serious problem facing Argentina for 1941. The direct problem arises from the lack of adequate storage facilities to carry over the grain surpluses. The crops have to be fairly well disposed of during the crop year as otherwise insects destroy the grain in this climate. In addition, the funds have to be raised internally to finance the producers under the guaranteed minimum price policy. The indirect effect of the surplus problem is the reduction in the purchasing power of Argentina for imported goods from the only important source left from which these goods can be obtained, namely the dollar area or North America. This situation is having the effect of hastening the previous trend towards a more or less completely managed internal economy—external trade is already managed—and is making for complications in political circles in Argentina.

**FIRST OFFICIAL ESTIMATE OF ARGENTINE CORN CROP ACREAGE**

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes under date February 5 that the first official estimate of the corn crop, published by the Department of Agriculture of Argentina, shows the acreage sown to maize in the 1940-41 season at 15,320,200 acres as against 17,791,200 acres for the first estimate of the 1939-40 season and an average of 15,956,302 acres for the five years ending with the 1939-40 season.

**MARKET FOR CANADIAN FISH IN CHICAGO IN 1940**

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Chicago, February 18, 1941.—The total arrivals of fresh and frozen fishery products at the Chicago wholesale market showed an increase of 23 per cent in 1940 as compared with the previous year and amounted to 59,432,557 pounds, or the equivalent of approximately 2,950 freight carloads. Of this quantity Canada supplied 11,564,286 pounds, or about one-fifth and was the only foreign source of supply. The remainder came from 34 states and Alaska.

During the year fresh-water varieties continued to predominate, increasing 18 per cent and amounting to 31,744,777 pounds. Salt-water species increased 30 per cent to 16,200,298 pounds and shellfish, etc., gained 27 per cent, totalling 11,487,482 pounds. Altogether there were 101 classifications made up of 38 fresh-water, 44 salt-water and 19 shellfish and miscellaneous varieties. Of the total arrivals 36 per cent were received by truck, 31 per cent by express and 33 per cent by freight.

On a monthly comparison receipts were heaviest during October, followed closely by December and then November, with the lightest receipts in August. Canadian shipments, however, arrived in heaviest quantities during February.

The following table shows the species and quantities of fresh-water fish arriving in Chicago from Canada during 1940:—

*Arrivals of Fresh-water Fish from Canada by Provinces in 1940*

	Alberta Lb.	Saskatchewan Lb.	Manitoba Lb.	Ontario Lb.	Total Lb.
Blue pike . . . . .	.....	.....	.....	13,017	13,017
Buffalofish . . . . .	.....	.....	.....	1,490	1,490
Bullheads . . . . .	.....	.....	13,011	14,760	27,771
Carp . . . . .	.....	.....	.....	2,700	2,700
Catfish . . . . .	.....	.....	145	10,442	10,587
Chubs . . . . .	.....	.....	.....	8,905	8,905
Cisco . . . . .	.....	.....	.....	61,504	61,504
Crappie . . . . .	.....	.....	.....	10,501	10,501
Eels . . . . .	.....	.....	.....	12,060	108,050
Lake herring . . . . .	.....	.....	400	2,391	2,791
Lake trout . . . . .	287,100	.....	21,794	463,416	772,310
Lake trout, frozen . . . . .	282,306	12,122	1,245	.....	295,673
Menominee . . . . .	.....	.....	.....	693	693
Pickrel . . . . .	6,902	32,816	38,969	22,853	101,540
Pickrel, frozen . . . . .	.....	5,384	2,354	.....	7,738
Rock bass . . . . .	.....	.....	.....	4,882	4,882
Sauger . . . . .	1,000	.....	1,844,136	20,154	1,865,290
Sauger, frozen . . . . .	.....	.....	1,557,851	.....	1,557,851
Sheepshead . . . . .	.....	.....	.....	30,390	30,390
Smelt, frozen . . . . .	.....	.....	.....	.....	119,439
Suckers . . . . .	.....	.....	21,094	2,607	23,701
Sunfish . . . . .	.....	.....	.....	10,925	10,925
Tullibee . . . . .	.....	.....	19,768	1,175	20,943
Tullibee, frozen . . . . .	.....	.....	178,312	.....	178,312
White bass . . . . .	.....	.....	.....	8,469	8,469
Whitefish . . . . .	599,698	7,834	455,162	438,322	1,501,016
Whitefish, frozen . . . . .	88,610	390,143	150,123	400	629,276
Yellow perch . . . . .	14,110	.....	395,699	195,314	605,123

*Arrivals of Fresh-water Fish from Canada by Provinces—Concluded*

	Alberta Lb.	Saskatchewan Lb.	Manitoba Lb.	Ontario Lb.	Total Lb.
Yellow perch, frozen . . . . .	.....	.....	24,167	.....	24,167
Yellow pike . . . . .	23,005	3,734	593,794	67,715	688,248
Yellow pike, frozen . . . . .	300	15,819	51,486	.....	67,605
Unclassified . . . . .	.....	.....	5,785	4,728	10,513
Total . . . . .	1,303,031	467,852	5,375,295	1,409,813	8,771,420

Included in the above totals are: eels, 95,328 pounds from Quebec and 662 pounds from New Brunswick; frozen smelt, 95,195 pounds from New Brunswick and 24,244 pounds from Nova Scotia. Other species, in which Canada did not share, were unimportant in volume.

Salt-water fish arrivals from Canada were as follows:—

*Arrivals of Salt-water Fish from Canada by Provinces in 1940*

	Nova Scotia Lb.	New Brunswick Lb.	British Columbia Lb.	Total Lb.
Cod . . . . .	2,300	.....	.....	2,300
Cod fillets, frozen . . . . .	257,694	.....	.....	257,694
Flounders . . . . .	13,150	.....	.....	13,150
Haddock . . . . .	6,250	.....	.....	6,250
Haddock fillets, frozen . . . . .	127,297	24,855	.....	152,152
Halibut . . . . .	.....	.....	969,758	969,758
Halibut, frozen . . . . .	.....	.....	554,576	554,576
Herring, sea (sardine) . . . . .	37,475	1,000	1,190	39,665
Mackerel, frozen . . . . .	250	.....	.....	250
Pollock fillets, frozen . . . . .	6,000	.....	.....	6,000
Rosefish fillets, frozen . . . . .	31,575	.....	.....	31,575
Sablefish, frozen . . . . .	.....	.....	26,700	26,700
Salmon, chum (fall) frozen . . . . .	.....	.....	65,350	65,350
Salmon, king (chinook) . . . . .	.....	.....	89,805	89,805
Salmon, king, frozen . . . . .	.....	.....	115,400	115,400
Salmon, pink (humpback) . . . . .	.....	.....	17,000	17,000
Salmon, silver . . . . .	.....	.....	159,587	159,587
Salmon, silver, frozen . . . . .	.....	.....	98,290	98,290
Salmon, unclassified . . . . .	.....	.....	3,000	3,000
Sole fillets, frozen . . . . .	43,345	.....	.....	43,345
Wolfish (catfish) . . . . .	24,000	.....	.....	24,000
Total . . . . .	549,336	25,855	2,100,656	2,675,847
Total arrivals from all sources . . . . .	.....	.....	.....	16,200,298

Other leading species of salt-water fish received, of which Canada was not a shipper, were: whiting, fresh and frozen fillets, 245,016 pounds, mainly from Massachusetts; red snapper, 215,483 pounds, from Alabama and Florida; and sea bass, 83,651, chiefly from New York.

Under shellfish, Canada only supplied lobsters, as follows:—

*Arrivals of Shellfish from Canada by Provinces in 1940*

	Nova Scotia Lb.	New Brunswick Lb.	Total Lb.
Lobsters . . . . .	2,500	109,259	111,759
Lobster meat . . . . .	.....	1,260	1,260
Spiny lobster tails . . . . .	4,000	.....	4,000
Total . . . . .	6,500	110,519	117,019

Canada did not participate in the market for the most important volume varieties of shellfish, chief of which were: shrimp, fresh and frozen, 7,522,492 pounds, mainly from Louisiana and Texas; oysters, shell and shucked, 2,189,951 pounds, from New York and Virginia; sea scallops, 380,661 pounds, from Massachusetts and New York; hard clams, 265,436 pounds, from Virginia; and crab-meat, 100,322 pounds, largely from Louisiana.

Combining the above tables, Canada's total shipments of 11,564,286 pounds were dispatched as follows:—



*Method of Delivery of Canadian Fish to Chicago*

	Truck Lb.	Express Lb.	Freight Lb.	Total Lb.
British Columbia . . . . .	.....	1,238,150	862,506	2,100,656
Alberta . . . . .	4,310	923,403	375,318	1,303,031
Saskatchewan . . . . .	6,626	1,258	459,968	467,852
Manitoba . . . . .	2,005,691	813,053	2,556,551	5,375,295
Ontario . . . . .	698,674	711,139	.....	1,409,813
Quebec . . . . .	.....	20,234	75,094	95,328
New Brunswick . . . . .	.....	111,181	121,050	232,231
Nova Scotia . . . . .	6,000	2,500	571,580	580,080
Total . . . . .	2,721,301	3,820,918	5,022,067	11,564,286

It is of interest to note that 5,666,060 pounds of halibut, salmon and sablefish, caught by United States vessels, were shipped from British Columbia through Canada in bond to Chicago.

**CONSUMPTION OF RAILWAY TIES IN MEXICO**

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, February 12, 1941.—There is a considerable consumption of railway ties by the Mexican National Railways. The majority of these ties are locally produced, but, if competitive prices were offered, there might be an opportunity of importation. It is in view of this possibility that the following notes on the type of railway ties employed in Mexico have been prepared.

Dimensions of the standard-gauge tie in Mexico are 7 inches by 8 inches by 8 feet, and of the narrow-gauge tie 7 inches by 8 inches by 6½ feet. These are the ordinary first-class ties. The specifications are not applicable to ties used for switches and on bridges, which are of different dimensions.

The total main-line length of the system is 11,838 kilometres. At the rate of 1,990 ties per kilometre, the number of ties used would approximate 23,559,610. These figures, of course, do not take into consideration the consumption of secondary lines, the length of which is 1,699 kilometres. However, first-class regulation ties are not generally used on these lines, because trains do not travel on them at a great speed. Further, this trackage includes storage of rolling stock in the yards and switching and distributing lines.

Altogether, the total supply of ties required for the Mexican National Railway lines, without including the Interoceanic Railway, amounts to some thirty million ties.

Up to the end of 1938 only 64·5 per cent of the main lines were supplied with impregnated ties. The remaining 35·5 per cent, or 4,203 kilometres, of this trackage was supplied with non-impregnated ties. As the life of the latter is from one to two years, they require frequent replacement. To supply impregnated ties for the 4,203 kilometres with non-impregnated ties would require 8,363,970 ties. At an average price of 2·42 pesos per tie, to do this would involve an expenditure of 20,240,870 pesos.

**ANNUAL MEXICAN CONSUMPTION OF TIES**

The following table shows the annual consumption of ties from 1930 to 1939:

Standard Gauge—	Creosoted	Raw Hard	Raw Soft	Total
1930 . . . . .	2,061,708	1,740,507	169,163	3,971,378
1931 . . . . .	2,008,741	831,174	23,974	2,863,889
1932 . . . . .	2,040,684	724,219	19,441	2,784,344
1933 . . . . .	1,672,376	391,394	20,445	2,084,215
1934 . . . . .	1,646,308	484,789	62,304	2,193,401
1935 . . . . .	1,469,317	404,838	9,530	1,883,301
1936 . . . . .	1,428,479	488,838	12,646	1,929,963
1937 . . . . .	1,070,532	726,547	6,944	1,804,023
1938 . . . . .	1,250,443	649,901	9,265	1,909,609
1939 . . . . .	1,184,283	623,471	10,277	1,818,031

*Annual Mexican Consumption of Ties—Concluded*

Narrow Gauge—	Creosoted	Raw Hard	Raw Soft	Total
1930. . . . .	47,546	198,550	1,993	248,089
1931. . . . .	36,256	66,003	1,209	103,468
1932. . . . .	615	41,737	1,000	43,352
1933. . . . .	29,013	21,202	179	50,394
1934. . . . .	30	16,647	2,150	18,827
1935. . . . .	.....	15,421	.....	15,421
1936. . . . .	260	87,074	.....	87,334
1937. . . . .	2,584	58,619	11	61,214
1938. . . . .	726	29,171	.....	29,897
1939. . . . .	10,420	25,400	38	35,858

## WOOD-PRESERVING REGULATIONS

The wood-preserving treatment demanded by the Mexican National Railways for ties is generally the same as the standard specifications of the American Wood Preserving Association. As applied in Mexico, these specifications are as follows:—

1. A mixture of 40 per cent creosote and 60 per cent petroleum, 7 pounds per cubic foot of timber.
2. Straight creosote for brisk timber, 9 pounds per cubic foot of timber.
3. Straight creosote for timber for marine purposes, 22 pounds per cubic foot of timber.
4. Treatment under 180 pounds per square inch pressure.

The specifications of the Purchases and Stores Commission of the National Railways of Mexico deal with the strength of the lumber, holes, knots, annular crack, radial crack, mixed crack, and the inspection of ties, both hardwood ties and pine ties. The rules for inspection are simple. All the faces of the ties are to be examined and each piece will be accepted or refused on this basis. Decisions taken with regard to a pile of ties will not be taken as a basis of inspection, for each tie will be inspected independently without consideration of other ties in the same lot. No tie will be accepted that has been lying on either of its ends. Likewise, ties that are muddy will be refused. Copies of the specifications are on file in the Department of Trade and Commerce, Ottawa, and may be obtained by interested Canadian firms on application (quote file No. 27680).

## OPPORTUNITIES IF NEW LINES ARE BUILT

It has been proposed for some years to build a new railway line from Puerto Mexico (Coatzacoalcas) to Campeche City, both of which are on the Caribbean. This line would run through a swampy region and its construction, if undertaken, would give Canadian exporters an opportunity to sell ties in Mexico. There is also a line proposed from Topolobampo to La Junta. Since Topolobampo is on the seaboard, here again a favourable opportunity would be presented should the line be constructed. There is also a short line to be finished from Mazatlan to Durango, and in this case the opportunity is more within the range of probability than in that of the others.

It should be noted that the terminals for all three of these lines are on the seaboard and that all the creosoting plants are in the interior of Mexico. If domestic ties were to be used for the new lines mentioned, they would have to be brought from the interior. Accordingly imported creosoted ties would probably be able to compete in price. Ties for the National Railways are bought in lots of twenty to thirty thousand.

## IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to February 1, 1941:—

	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to Feb. 1, 1941	
			Quantity	Per Cent
Cattle (700 lb. or more)... ..Head	225,000	3 to 1½c. per lb.	12,482	5.5
Cattle (less than 200 lb.)... ..Head	100,000	2½ to 1½c. per lb.	8,662	8.6
Whole milk... ..Gal.	3,000,000	6½ to 3¼c. per gal.	399	....
Cream... ..Gal.	1,000,000	56¼ to 28¾oc. per gal.	26	....
Filletted fish, fresh or frozen; cod, haddock, hake, pollock, cusk, and rosefish... ..Lb.	15,000,000	2½ to 1¾c. per lb.	684,024	4.5
Seed potatoes... ..Bu.	1,500,000 beginning Sept. 15, 1940	75 to 37½c. per 100 lb.	268,108	17.8
White or Irish potatoes, other than seed potatoes... ..Bu.	1,000,000 beginning Sept. 15, 1940	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	42,034	4.2
Red cedar shingles... ..Square	*	Free	311,045	....
Silver or black foxes, furs and articles: †Foxes valued under \$250 each and whole furs and skins...No.	100,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	35,000	35.0
Tails... ..Piece	5,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	3,406	68.1

\* Duty-free quota for red cedar shingles has not yet been determined.

† The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the agreement.

During the first month of 1941, Canada shipped 12,482 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 24.1 per cent of the quarterly allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the first quarter of 1941 was filled and receipts over and above this amount were subject to the full tariff rate.

Under the classification of silver or black foxes, furs and articles there were 56 pounds of paws, heads or other separate parts entered or 11.2 per cent of the quota of 500 pounds; 364 pounds of piece plates or 66.2 per cent of the quota of 550 pounds; and 10 units of articles other than piece plates or 1.6 per cent of the quota of 500 units. However, there is no indication in the statement by the Treasury Department that any of the above articles were imported from Canada.



## MODIFICATIONS IN NAVICERT SYSTEM

The British Embassy at Washington recently announced that certain modifications have been introduced into the navicert system for the benefit of those shippers who are reluctant to commence the manufacture of the goods they wish to ship until they can be reasonably satisfied that navicert facilities will be forthcoming.

In future the following optional procedure will be available to all navicert applicants. At the time of application the applicant may state how soon after his application has been provisionally approved he will be ready to ship the goods. In submitting the application to the Ministry of Economic Warfare in London, the Embassy will also pass on this information and if the Ministry's decision is favourable, they will fix a period during which the navicert can be claimed by the applicants. The latter will be informed of the provisional approval and may claim the navicert at any time during this period. Its actual issue will, however, be subject to confirmation from London. This confirmation will always be forthcoming immediately unless circumstances affecting the consignment have changed very substantially since the application was originally approved.

The present general procedure whereby navicerts are issued valid for two calendar months is in no way affected by the present modification which has been introduced at the instance of shippers of certain goods which have to be specially manufactured. It is entirely at the applicant's option whether to make use of it or not.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### CHANGES IN IMPORT RESTRICTIONS, JANUARY 1, 1941

With reference to articles appearing in *Commercial Intelligence Journal* Nos. 1930 (January 25, 1941), page 100, and 1931 (February 1, 1941), page 131, Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, writes under date January 21, that an additional list of restrictions on imports from non-sterling countries, to operate from January 1, 1941, was announced on January 20. The latest list, he states, will affect goods valued at approximately £stg.1,250,000, and when added to restrictions previously imposed should result in the conservation of between 12 and 12.5 million pounds of non-sterling exchange, exclusive of the savings that will result from petrol, newsprint and silk rationing. The restrictions aim at curtailing imports from non-sterling sources of materials which may be considered in the luxury or non-essential class, as well as those items which are in ample supply locally or from sterling sources.

Following is a list of the principal items of interest to Canada, which have been affected by this latest restriction: where available, the value of imports from non-sterling countries in the base year ended June 30, 1939, is given as a guide to the value of business that is involved:—

#### TOTAL PROHIBITIONS

Tapestries of wool, cotton, linen, or artificial silk (\$415,000); oil baize, and fabrics similar to (\$22,473); buckles, clasps, slides for hats, shoes and other attire (\$25,152); buttons, except trochus, pearl or other animal shell (\$321,349); towels and towelling (other than jacquard) (\$288,600); bath mats; aluminium powder and paste; porcelainware insulators for electrical purposes; fancy goods (\$141,200); wrist watch cases; material for manufacture of gramophone

records (\$35,500); leather, rubber, canvas and composition belting (\$67,000); wrapping paper, other than greaseproof and imitation greaseproof and cellulose transparent paper, of all colours (glazed, unglazed, or mill-glazed), browns, sulphites, sugars and all other bag papers, candle carton paper; cartridge paper (other than offset and drawing); paper felt and carpet felt paper irrespective of weight; true vegetable parchment (\$62,000); ferro-silicon; furniture castors.

## ARTICLES REDUCED 75 PER CENT

Cotton featherstitch braids; piping; tinsel cloth; tinsel belting, having warp or weft composed wholly of tinsel or of continuous threads of tinsel and an alternate thread of textile; tinsel thread (all foregoing, \$75,036); trimmings and ornaments n.e.i. for hats, shoes and other attire, not being partly or wholly of gold or silver; braids n.e.i.; fringes n.e.i.; frillings; rufflings; pleatings; ruchings; tinselled belting n.e.i.; webbings n.e.i.; belting for apparel not elsewhere specified and not being cut to lengths for belts; jabots and textile bows (not including bow ties), being articles of women's apparel (\$652,700); electrical insulating sheets, being sheets composed of asbestos and cement or similar materials (\$741,480); wrist watches; imitation gut (\$87,024); vitreous enamelling material, including porcelain enamel, enamel frit, etc.

ARTICLES REDUCED 66 $\frac{2}{3}$  PER CENT

Files (\$310,800).

## ARTICLES REDUCED 50 PER CENT

Galoons, ribbons (\$478,632); hand tools, wholly or chiefly of metal; argol; greaseproof and imitation greaseproof wrapping paper (\$799,200); strawpaper, strawboard, other than corrugated, and board n.e.i.

## ARTICLES REDUCED 25 PER CENT

Coated printing paper; glazed imitation parchment; printing paper n.e.i.; writing and typewriting paper not including duplicating paper, except when used for daily or weekly publications.

## NEW CONDITIONS

When issuing licences for imports of hand tools, wholly or chiefly of metal; hand tools of trade as prescribed by by-laws; files; coated printing paper; glazed imitation parchment; printing paper n.e.i.; writing and typewriting paper not including duplicating paper; strawpaper, strawboard other than corrugated, and boards n.e.i., the authorities will demand that such licences be used only for those types which are not available from local or other sterling sources.

**Newfoundland**

## REGULATIONS GOVERNING DRAWBACK OF IMPORT DUTY

The *Newfoundland Gazette* of February 11 contains general regulations concerning drawback of duty made under Section 222 of the Customs and Excise Act, 1938, which are in addition to various provisions respecting customs drawbacks, rebates and repayments of duty provided for on various specific commodities in Schedule B of the Customs Tariff. The regulations now published state that there shall be paid by the Board of Customs upon goods imported into Newfoundland and subsequently exported, a drawback of the full import duty paid upon such goods, subject to the following conditions: (1) the goods shall have been exported in the same condition as when imported; (2) the goods shall not have been exhibited or in any way lessened in value or used in any manner whatsoever; (3) the goods shall have been exported within one year after the date of importation; (4) the goods shall have been exported in a vessel of not less than forty tons net registered tonnage, or in such aircraft or vehicle as shall have been approved by the Board of Customs; (5) if the goods after exportation are subsequently to be re-imported a drawback claim shall not be presented unless full duties of Customs are to be paid upon re-importation; (6) a claim for drawback on goods exported because of some defect not discoverable upon first visual examination shall not be allowed unless the defect is

discovered and reported to a collector or other proper officer of Customs before the goods shall have been released from Customs custody; (7) the Board of Customs may require the production of such documentary evidence as it may consider necessary in addition to that specified in these regulations.

The procedure laid down for claiming drawback requires the exporter, before exportation, to present a claim to the Customs and to produce the goods concerned as well as complying with certain other conditions laid down.

### Trinidad

#### IMPORT CONTROL OF FOODSTUFFS

The Secretary of the Import Control Board in Trinidad published a notice asking distributing agents to render not later than February 26, 1941, a statement showing the quantity of foodstuffs sold to merchants and landed in the Colony during the period September 1, 1939, to October 31, 1940. The statement is to show the name of the country from which the goods were supplied and the names of the merchants to whom the goods were sold. The information in the returns is required for allotment of import quotas. They are not to include imports from the United Kingdom.

### St. Kitts (B.W.I.)

#### FOODSTUFF QUOTAS AND IMPORT LICENSING

The St. Kitts *Official Gazette* of January 9 announced that during 1941 all imports of foodstuffs from the United Kingdom and a large majority of foodstuffs from Canada would be under quota. Consequently applications for import licence must be submitted and allotments granted before orders are placed for foodstuffs in the United Kingdom or Canada. In order to secure control of the allocation of the quota, it is proposed to work on a quarterly basis and to use imports during the year 1940 as a basis for allocation to individual importers. In the meantime, importers have been asked to confine applications to minimum requirements to the end of March on the understanding that shortages or excesses will be adjusted during the April-June quarter. Importations of foodstuffs from South Africa and Australia are to be dealt with in a later notification.

The present announcement states that, with the exception of luxuries and non-essentials and articles made of iron and steel, practically all manufactured goods may be imported from the United Kingdom under licence without restriction. In order to reduce demand for exchange, importers are requested to avoid importing manufactured articles from Canada if the same kind or articles of a similar nature can be imported from the United Kingdom. Otherwise the United Kingdom, Canada and other Empire countries are favoured as sources of supply. Parcels and books under the value of \$20 from the United Kingdom or Canada, it is announced, will be admitted without licence.

### Netherlands East Indies

#### SURTAX ON DUTIES CONTINUED

With reference to the article in *Commercial Intelligence Journal* No. 1877 (January 20, 1940), page 108, a Netherlands East Indies draft ordinance (Notification No. 67, 1940) proposes that the 50 per cent surtax on duties be continued on all products entering that country for the year 1941, with the following exceptions:—

(a) Exemption from surtaxes will continue to apply on fresh fish; gambir; wines; distilled spirits; methyl alcohol, as well as potato oil, amyl, butyl and



propyl alcohols; alcoholic fruit essences; cotton yarns; bleached cambrics; unbleached plain-weave or simply twilled cotton fabrics not woven with coloured threads, nor prepared in any other manner, including unbleached twills, but excepting "batik greys"; dyed, printed and multi-coloured woven clothing fabrics of cotton, except flannels; knitted cotton underclothing.

(b) 25 per cent surtax will be levied on imports of wheat flour in bags; cloves and clove stems; cotton tissues other than those exempted; certain textile fabrics; tissue cotton underclothing and blankets. (These goods were formerly exempt from surtaxes.)

(c) "Batik greys" and certain woollen and half-woollen fabrics formerly exempt from surtaxes will now be subject to the general surtax rate of 50 per cent.

(d) The surtax on beer remains the same, viz. 80 per cent.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 24, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 24, 1941, and for the week ending Monday, February 17, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 17	Nominal Quotations in Montreal Week ending Feb. 24	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Portugal . . . . .	Escudo	.0442	.0445	.0445	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2644	.2645	3½
Switzerland . . . . .	Franc	.1930	.2577	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2278	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2614	.2620	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4412	.4383	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0616	.0616	—
Hongkong . . . . .	Dollar	.....	.2704	.2712	—
India . . . . .	Ruppee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Canned Goods and Food Products of Every Description.....	41	New York City.....	Agency.
<b>Miscellaneous—</b>			
Orange Boxes.....	42	Birmingham 3, England...	Indent (for South Africa).
Cheap Underwear, Ladies' and Children's.....	43	Port of Spain, Trinidad....	Agency.
Nursery Bottle Nipples, Rubber.	44	Auckland, New Zealand...	Agency.
Refractory Cement.....	45	Mexico.....	Purchase.
Conduits, Flexible, for Electric Wiring.....	46	Lima, Peru.....	Purchase and Agency.
Blow-lamps, Paraffin or Kerosene	47	Dublin, Ireland.....	Purchase.
Lamp Shades, Glass, Electric....	48	Port of Spain, Trinidad....	Purchase.

# COMMERCIAL INTELLIGENCE SERVICE

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C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

# COMMERCIAL INTELLIGENCE JOURNAL

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Ottawa, March 8, 1941

No. 1936



Wartime Conditions Have Increased Demands for Canadian Newsprint

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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Vol. LXIV

Ottawa, March 8, 1941

No. 1936

## SCOTTISH INDUSTRY AND TRADE IN 1940

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, February 4, 1941.—Owing to prevailing conditions, a review of Scottish industry and trade for 1940 cannot be as complete, or at least as detailed, as in former years. The aim of the following summary is to present as comprehensive a picture as possible of conditions in Scotland during the calendar year 1940.

Although no figures for British shipyards are published in war time, it is well known that many firms established new production records during 1940. At the outbreak of war the industry had in hand a large volume of work, at that time 173 ships were being built or were projected for the Royal Navy alone. At the present time (January, 1941) some hundreds for the Navy are under construction, in addition to a vast number of merchant ships. When the war began the large volume of work on hand was rapidly increased by further orders, and by the end of 1939 (four months after hostilities began) there was hardly a berth throughout the country which was not occupied by a ship, either war or merchant, undergoing construction. Each month during 1940 added to the demands on the industry, and the output has rapidly expanded. Many new ships have been added to the strength of the Royal Navy and the Mercantile Marine. The speed attained in construction is apparent from the fact that many ships which were not even laid down at the beginning of 1940 are now in service. This is a remarkable accomplishment and one which reflects the greatest credit on the shipbuilders and their employees. While much has been done during the past year to speed output, maximum production has not yet been reached, for shipbuilding, like most other war industries, is one that requires many months of intense effort to accelerate to maximum speed.

Mr. Arthur Greenwood, Minister without Portfolio, stated recently that the shipbuilding output had increased by over 50 per cent since May, 1940. So far as naval losses are concerned, it is known that the contributions made by the shipbuilding industry during the year have more than compensated for the casualties.

The ship-repairing side of the industry has also proved to be of great importance. Damaged ships and those sunk in shallow waters have been recovered to the number of over 100, the value of which and their cargoes is estimated to be over £20,000,000. Since early in the war both naval and mercantile shipbuilding and ship-repairing have been under the control of the Admiralty, whose dual task has been greatly facilitated by the co-operation extended by every branch of the industry.

## IRON AND STEEL

Record progress in this vital industry has been achieved during 1940, the works being operated at full capacity and with a good supply of pig iron, scrap and other raw materials.

Plates and sections are in constantly increasing demand from the shipyards for naval and merchant ship construction and for ship repair work. Marine

engineers, boilermakers and tubemakers are also making heavy demands on the steel works. Notwithstanding the pressure on the works, it is understood that deliveries are made with reasonable promptitude. In the re-rolling section of the trade also the mills are fully employed on the production of black and galvanized sheets in large quantities on government account.

In this industry, too, as in shipbuilding, great efforts have been made to speed up production by introducing standardization in rolling operations and by the curtailment of holidays to permit of continuous operations.

The greatly expanded supplies of raw materials necessary to keep the industry in full production have been forthcoming. The fall of France and the loss of supplies of Belgian and Luxembourg steel products of which large quantities are normally imported by the local industries, increased the pressure on domestic steel mills, quite apart from the enormous war demands, and therefore increased the demand for scrap and pig iron. The scrap position was eased by record imports of United States and Empire scrap and also by the unqualified success, so far as the industry in the West of Scotland is concerned, of the drive for the collection of scrap in Glasgow and district. It was accordingly possible to build up reserves for the winter. For the re-rolling mills the domestic supply of semi-finished steel has been augmented by imports of billets, slabs and sheet bars. Corresponding activity in the pig iron trade has ensured sufficient from the blast furnaces, new units of which have been put into operation.

During the year costs of production advanced steadily as a result of increases at the source in the cost of ore, scrap and fuel and also in freights and war-risk insurance. The total increases in costs ranged from £4 to £6 10s. per long ton. Such increases are subject to government sanction.

#### ENGINEERING

The engineering industry of Glasgow and the West of Scotland generally is very diversified and of vast importance. In fact there is probably no similar area in the world so thickly studded with huge engineering works and where so many skilled engineers are employed. Its output in 1940 was of record-breaking proportions, but perhaps its most outstanding feature at the present time is the preparation it has made to meet the requirements of a long war by the building of new factories, the installation of the most modern machinery and the return to the industry of thousands of men and women after some months' training. Such plans have been made in every branch of the industry, such as aircraft construction, chemical engineering, marine engineering, manufacture of scientific instruments, structural engineering and the making of bolts and nuts. Vast scope for development remains despite the fact that many firms have multiplied their outputs several times in 1940 as compared with previous years.

Hardly an engineering factory, not only in this area but throughout Britain, in addition to its normal type of output, is not also manufacturing goods different from its ordinary products. A year ago, when the industry was being mobilized, the requirements were not very clearly defined, but after the tragic fall of France the engineering industries were forced to concentrate on work for the defence of Britain by the acceleration of aircraft production and the manufacture of the innumerable weapons of defence.

The armament industry is dependent upon high-class machine tools, and the production of these in British workshops during 1940 reached a level never before recorded. It was even possible to make shipments of special machines to various parts of the Empire to be used in the development of the armament industry in the countries concerned.

Great as has been the increase and the speeding-up of production, it would have been still greater but for a shortage of skilled labour. This applies particularly in the machine-tool trade. Much has been done to use "trainees" and "dilutees", who are of great service in repetitive work for mass production, such

as in aircraft factories, but who are not so useful in certain establishments where no two contracts are exactly alike, as in the heavy machine-tool shop. Much has been done to re-engage skilled men who had to find other work during the depression years following 1929.

#### COAL

Despite the loss of export markets in such countries as Italy, France, Denmark, Norway, Belgium and Holland, the production of coal in Scotland has been readily absorbed by the phenomenal expansion in inland trade. The collieries, with few exceptions, were able to keep their pits fully employed. During the year some pits were closed down through exhaustion of seams, but this loss of output was more than made up by the opening-up of new areas. It is also expected that when financial results are determined they will bear favourable comparison with those of former years.

Transport and distribution troubles tended to increase towards the end of the year, but supplies to consumers on the whole were adequate, as stocks had been accumulated at strategic points. Nevertheless it was necessary to urge economy in the use of fuel by domestic consumers, and collieries in certain districts, both those supplying inland needs and those engaged in producing for export markets, had to limit their production. The transport difficulty was the result of a number of causes, including priority traffic for more essential freight, shortage of freight cars and interruption of normal train movements. Under present conditions occasional shortage of coal seems inevitable, but heavy stocking by industrial concerns, retailers and the public, in addition to large government stocks, should do much to ease the position.

It is believed that the industry in general will be able to continue to work at or near full capacity, since, while the revival of the export trade is unlikely in the near future, the enormous war demands at home will offset the loss in exports.

#### SCOTTISH BANKING

The close of 1940 showed the light Scottish banks in a strong liquid position, with a substantial expansion in resources. Dividends have been continued at the level of 1939, except by the Bank of Scotland, its dividend being reduced one per cent to eleven per cent. Inner reserves have again been strengthened. The assets, valued at £430,296,100, showed an increase of £27,786,000 over those of the previous year. Net profits, amounting to £2,557,963, showed a decrease of £135,323 as compared with 1939, this small decrease being distributed among all the banks.

#### WHISKY TRADE

The whisky trade is maintaining a steady and satisfactory business, the price increases not having had the serious results anticipated. Export business has also continued at a satisfactory level, although it was somewhat less brisk during the last three months than earlier in the year.

In the distillery section the grain distillers have again started production after being idle since November. There is no indication when the malt distillers will resume operations, but it is unlikely to be in 1941. The Ministry of Food issued an order that distillers would be permitted to produce in the calendar year 1940 one-third of the quantity made for the year ended September 30, 1939.

#### EAST COAST FISHING

So many fishing vessels, especially trawlers, are now used for mine-sweeping and are otherwise engaged on Royal Navy duties that it is not surprising that the number employed for fishing has been depleted, although there has recently been an improvement in that respect. Nevertheless fishing on the East Coast of Scotland has been successfully continued. Supplies have been maintained, and the consumer demand has been met. Prices have increased.



## PAPER TRADE

The paper industry in Scotland, mainly in and around Edinburgh and the Eastern Counties, has been passing through a difficult period owing to the shortage of raw material and the need accordingly to reduce the manufacture and consumption of paper.

With the entry of Italy into the war and the downfall of France, shipments of esparto grass from the Mediterranean ports have been cut off. As esparto is the principal raw material used by the Scottish industry, the mills have been compelled to use a very large proportion of home-produced material, such as straw and waste paper. Licences for papers made solely or mainly from raw materials obtainable at home are being more freely granted, and accordingly the mills are busier but by no means fully employed. The outlook is uncertain.

## BORDER WOOLLEN TRADE

On the whole this industry has kept very steadily employed, although the loss of one export market after another in countries overrun by the enemy has severely limited export trade. The United States and Empire countries, however, have continued to take substantial quantities, and the home market also absorbs a large volume. The outlook is very promising.

The loss of the French markets in particular and those of the Continent in general has resulted in a certain amount of unemployment in the hosiery mills, but the recent placing of contracts for thousands of underwear garments for the Ministry of Supply has produced more activity.

## AGRICULTURE

The year 1940 was a difficult one for the Scottish farmers. Early in the year the country suffered from the heaviest snowfalls and the severest and most prolonged frosts experienced for forty-five years. Then in the late spring and early summer there were drought conditions in many areas. In consequence hill farmers suffered serious losses and also because of poor prices for mutton, lamb and wool and the higher wages they had to pay their workers. Following appeals to the Government, a subsidy for the season was granted in November of 2s. 6d. a head on their hill ewes. In all this amounts to about £700,000, of which more than half will come to Scotland. While this is of material assistance to many, the feeling is that a temporary subsidy is of little use for putting an industry on a sound basis, which can only be done by offering such prices as will enable hill farmers to carry on until normal conditions are restored.

The shortage of imported concentrated feeding stuffs has affected all branches of the live-stock industry, especially pig-keeping and poultry-keeping. A government scheme for the rationing of feeding stuffs is to come into operation in February, 1941. It is expected that dairy cows will have first call on the feeding stuffs available, as announced early in 1940, while pig and poultry farmers will have their supplies cut down to one-third of the pre-war level, stocks of pigs and poultry to be reduced accordingly, except, presumably, by those who also produce most of their own feed; in Scotland these are the general farmers and crofters.

It may seem surprising that the British Government has so drastically reduced the imports of feeding stuffs needed to produce bacon and eggs, in view of the stoppage of supplies of the finished produce from Denmark, Poland and Holland, whence vast quantities were normally brought into this country. The explanation is that the production of both bacon and eggs requires a high percentage of cereals and cereal offals, of which about two-thirds of requirements were normally imported, and invaluable shipping space must be reserved for the

less bulky finished products rather than for the raw materials needed to produce them. By rationing consumers and by importing from Canada it is apparently proving possible to adjust the demand to the supply of bacon. It was clear long ago that all the eggs that can be imported from Canada and Ireland, together with the maximum number that can be produced locally from the reduced supplies of feeding stuffs available, would be required to fill the needs. At present those needs are not yet being met.

Since the middle of January, 1940, the Ministry of Food has been the only buyer of fat stock, on a price scale previously fixed according to grade. The prices are considered satisfactory but scarcely generous. Prices of grain, hay, potatoes, sugar beet, milk, other dairy products, and eggs are all fixed, and the farmer knows what he will receive. The present system of fixed prices and an assured market, it was announced in November, will be maintained while the war lasts and for at least one year thereafter. This assurance gives confidence to the farmer.

There has been a ready response on the part of the farmers to the appeal early in the war for increased production. In Scotland alone nearly 200,000 more acres were ploughed in 1940 than in 1939. A still further increase has since been called for, and during the last few months of the year thousands of acres more of grassland have been ploughed for cropping in 1941. For obvious reasons production statistics have not been published for 1940, but it is known that the quantities of grain and potatoes produced in this country have been the greatest for many years. The drive for increased production of foodstuffs is, of course, to make it possible to divert shipping space to transport munitions of war instead of commodities to feed the people. These successful efforts to increase production have not been accomplished without difficulty, due especially to the increasing scarcity of labour through the calling up of men for the services and through agricultural workers seeking employment in the more highly paid industries.

## UNITED KINGDOM PURCHASES OF TELEGRAPH POLES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, January 28, 1941.—The Ministry of Supply have made an announcement to the effect that, in order to restrict imports to the minimum, it is now necessary to satisfy the total requirements of telegraph and transmission poles from home-grown timber. Land owners and home-grown timber merchants are accordingly urgently requested to ensure that all suitable softwood trees are reserved for this purpose. Specifications and prices are set out in detail in the official press notice issued by the Ministry.

This decision has been made in view of the extreme difficulty of obtaining shipping space and the need to conserve exchange.

Several small purchases of Canadian cedar poles, in the nature of trial samples, have been made. Although no detailed reports from Post Office Inspectors have been released, it is understood that these Canadian poles proved relatively satisfactory, and under normal conditions these small purchases might have led to the placing of more substantial orders.

If supplies can be obtained for the whole of the United Kingdom requirements from domestic woodlands, as is anticipated, no further importation of Canadian telegraph poles will be made, at least for the present. It is hoped, however, that the information obtained and recorded as to their quality will be of value on some future occasion when overseas supplies can again be considered.

## MARKET FOR DIATOMACEOUS EARTH IN THE UNITED KINGDOM

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, February 1, 1941.—Diatomaceous silica, which in its less pure form is also known as kieselguhr and sometimes as infusorial earth, consists of the skeleton remains of vegetable micro-organisms called diatoms.

The use or application of diatomite depends on its possession of certain qualities such as abrasive power, absorptive capacity, and its imperfect conduction of heat. Its value is considerably enhanced by calcination, which removes the organic material and water.

Observed under a microscope at, say, 200 diameters, diatomaceous earth is composed of minute particles or diatoms of various shapes and sizes. The needle or spicule type diatoms seem to be preferred and are said to provide the highest quality material, such as is required in a filter medium. The broken down diatoms or "fines" are used in Canada and elsewhere (but not to the same extent in the United Kingdom) for the manufacture of abrasive polishes for automobile bodies, silver and metal polishes, rubber manufacturing, etc., as a flattening agent or reducer in the paint, enamel and varnish industries, and as an absorbent agent in a number of other industries.

Diatomaceous earth of a kind is produced in Scotland (Aberdeenshire), Northern Ireland (Counties Antrim and Londonderry) and in Cumberland, England, but the quality, and particularly the colour, is such that the product can only be used for purposes where the shade is not important, such as for heat and sound insulation, explosives, etc.

It is also used for filtration work and to a less extent as a filler in certain classes of rubber goods, cement products, etc. Small amounts are also used for absorbent purposes and as a packing around bottles containing dangerous chemicals. It is sometimes used as a carrier for nickel catalysts in the hydrogenation of oils, as a mild abrasive in the finishing of cotton piece-goods, and for chemical purposes such as the manufacture of ultramarine and matches. It forms a constituent in certain brands of soap intended as substitutes for pumice.

Diatomaceous earth is used in the manufacture of cosmetics, as an absorbent medium in depilatory creams, an abrasive in nail polish, and a flattening agent in face cream. It is also used sometimes as a dusting agent in moulding operations, viz., rubber, etc.; as a filler in the making of asphalt, pitch and bituminous compounds; in the manufacture of the composite material for gramophone records; to some extent as a conveyor for poisons in the manufacture of insecticides; and formerly, but not so much to-day, as an absorbent of nitro-glycerine in the manufacture of dynamite. It can be used also for increasing the thickness of paper without increasing its weight. In the moulding of plastics, it is combined with binders such as resins, gums, shellacs, asphalt, rubber, etc., to aid processing and improve toughness and strength.

### IMPORTS

Prior to the war some 35,000 to 45,000 tons of diatomaceous earth were imported annually into the United Kingdom. The figures and countries of origin for 1936 and 1937, the latest years for which separate figures are available, were as follows:—



*Imports of Diatomaceous Earth into the United Kingdom*

	1936		1937	
	Tons	£	Tons	£
British countries . . . . .	178	1,446	165	1,397
Denmark (and Faroe Isles) . . . . .	26,039	16,614	27,049	17,812
Germany . . . . .	2,239	19,985	3,301	30,037
Algeria . . . . .	3,372	11,926	5,021	15,878
Spain . . . . .	2,160	11,610	1,147	8,018
United States . . . . .	5,235	45,678	5,673	54,571
Other foreign countries . . . . .	430	2,866	354	2,455
Total . . . . .	39,653	110,125	42,710	130,168

It will be noted that Denmark supplied well over half the quantity imported, but this was crude material that was dried and shipped to this country (probably Colchester) for the manufacture of insulating bricks and hollow building blocks. The price averaged slightly more than 13s. per ton.

The highest quality of diatomaceous earth is imported from the United States (California) and formerly from Germany. The price of the highest quality averaged approximately £9 12s. a long ton before the war, while Germany supplied a good grade of material at an average price of about £9 per ton.

Most of this American diatomaceous earth comes from the quarries at Lompoc, California. It is a high-quality product, very bulky, highly absorptive and of low density, the colour running from pure white to a buff or pinky shade. The finer grades are as light as eight pounds per cubic foot and the product will replace from two to six times its weight in heavier fillers. Under a microscope this material is composed of irregularly shaped and spicular particles which form a strong interlocking skeleton. For this reason the American product is particularly suitable as a high-grade filtration aid in the manufacture of sugar, edible oils, fruit juice, varnish, etc.

## SPECIFICATIONS

In purchasing diatomite, price is generally the ruling consideration, although of secondary importance to-day because of the difficulty in procuring it. But some refiners prefer to use a larger amount of cheap earth of comparatively low efficiency, such as Algerian, rather than a smaller amount of a more expensive but highly refined product such as the Californian.

The commercial value of a diatomite for filtration purposes can only be determined satisfactorily by actual experiment, depending as it does on the amount necessary to give a perfectly clear filtrate, the speed of filtration, and the character of the press-cake, etc.

For use as a filler in rubber goods, manufacturers insist upon an earth containing a minimum of iron oxide, copper and manganese. For such purpose the Spanish product is usually chosen, as it is very low in iron and consequently of a good colour as well.

Apart from the special requirements of certain industries, such as colour, abrasive power, absorptive capacity, heat resistance, etc., the two main considerations which usually influence buyers are the specific gravity and the price. The former is expressed in the United Kingdom in pounds (avoirdupois) per cubic foot and varies from eight to thirty. The lower the weight the better the grade usually. Methods of determining weight per cubic foot differ, but usually the diatomite is poured through a sieve into a wooden box made to hold exactly one cubic foot without being shaken down. In addition to the specific gravity and analysis, it is always well to supplement this with microscopic examination to estimate the proportion and nature of the diatoms.

Diatomaceous earth or kieselguhr is very light in weight but bulky in nature. It requires much shipping space, and transportation charges have always been high even in normal times. It is not surprising, therefore, that as a result of present shipping conditions the use of imported diatomite in this country has been limited to the most essential purposes. Import permits are provided only for the highest quality material, required as high-grade filtration aids in the processing of sugar, edible oils, etc. Until the present restrictions are removed, the remaining trades must be satisfied with the Scotch or Irish kieselguhr or else resort to other materials such as talc or clays of various kinds as substitutes.

In the present emergency the United States is the most important supplier. Canadian firms in a position to offer material of equal quality should forward liberal samples (about 12 pounds) and quotations to the office of the Canadian Trade Commissioner at Liverpool so that they may be submitted to interested firms in this area who have been importing diatomaceous earth for many years.

#### POSSIBILITIES FOR THE SALE OF LOWER GRADES

After the war, or perhaps earlier if the shipping position improves, there will be a market in the United Kingdom for the lower-grade material also, viz. for the "fines" or material consisting of the broken-down diatoms. Aside from the fact that Canadian diatomite is comparatively unknown in the United Kingdom, it is too early to state whether it will prove satisfactory in quality or competitive in price, as this will depend on what other sources of supply are open to this country at the time.

If quality and prices are equal to those of the products of former suppliers, Canadian diatomite should get the preference. In arriving at a price basis Canadian producers must bear in mind that prior to the war Algeria supplied over 15,000 tons per annum at an average price of £3 3s. per ton. This product was of fair quality, generally preferred for making insulation material. Spain shipped over 8,000 tons at an average price of about £7 per ton, which seemed satisfactory to the rubber trade. The English material, which is very dark in colour, can be used for insulation and various other purposes where colour is not of importance and at present it meets the needs of the explosives industry as well. Prior to the war it sold for £3 10s. a ton at works or £7 for the calcined material, but now brings double these prices.

This gives some indication of the competition that Canadian firms will have to face, but until samples of the Canadian material are available, it is impossible to say what value the local trade would place on Canadian kieselguhr.

It is said that the domestic market can absorb the entire Canadian production of top-grade diatomaceous earth containing the needle-like or spicule type diatoms. Should there be any surplus for export which compares favourably with the California product, there is an excellent market for it in the United Kingdom at present at prices as high as £26 per long ton, depending on the quality—the whiter the earth the higher the price generally speaking.

There are certain special grades of California diatomite which sold locally at as high as £36 8s. per ton before the war and, of course, are much more expensive to-day. Samples of these grades, along with samples of English, both raw and calcined, as well as Algerian and Spanish, are available for inspection by interested Canadian firms at the Department of Trade and Commerce, Ottawa (quote file No. 22394).

## AUSTRALIAN TARIFF BOARD OPERATIONS

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, January 17, 1941.—The activities of the Commonwealth Tariff Board—particularly in recent years—have been of direct concern to many Canadian firms exporting to Australia. War conditions of necessity have seriously restricted the normal investigations of this important body. The annual report for 1939-40, recently submitted to the Minister for Trade and Customs, provides a summary of recommendations and wartime policies of considerable interest to Canadian exporters and associations interested in trade with Australia.

During the year under review the Commonwealth Tariff Board furnished some fifty reports to the Department of Trade and Customs, of which all but five related to matters which had been the subject of public inquiry. Of these five, four dealt with the desirability of bringing into operation deferred rates of duty provided in the customs tariff and the other with the question of tariff classification of certain machinery. General classification of these reports shows that thirty-seven dealt with customs tariff revision; two with assistance necessary for new or proposed industries; three with admission under, or removal from, departmental by-laws; one with supplies of hoop pine timber for box-making; one with operation of the Customs Tariff (Industries Preservation) Act; and one with the bringing into operation of deferred rates of duty. Of the reports submitted and recommendations resulting therefrom, the majority affected Canadian products in greater or lesser degree and covered a remarkably wide range of investigations, including such items as shock absorbers; leather, rubber, canvas and composition belting; wireless valves and valve bases; dental instruments and appliances; laundry and washing machines, electric and hand; cordage and cord fabrics of the type used in the manufacture of pneumatic tires; fine writing and printing papers; cotton piece-goods; cotton canvas and cotton duck, proofed and otherwise; box-making timbers; iron and steel hoop; woodworking machinery and appliances; railway and tramway material; silk and artificial silk piece-goods; metal leaf and metal foil; files and rasps; imitation gut; tractor and road-roller engine units; metal hinges.

Separate reports have been submitted from time to time during the year ended June 30, 1940, with regard to certain individual items mentioned above which are of interest to Canada and which were further commented upon in connection with tariff proposals introduced during the year to give effect to the recommendations of the Australian Tariff Board.

### TARIFF AMENDMENTS

During 1939-40 the Australian Government introduced eleven tariff proposals. Five of these were introduced for revenue purposes only and in the main did not concern items which are normally referred to the Board for inquiry and report. One of these, however, affected the incidence of protective items in the tariff. This was the Customs Tariff (Special War Duty) Proposals, introduced on May 2, 1940, which imposed a special war duty at the rate of 10 per cent of the amount of customs duty on all goods other than those covered by Tariff Item 229 (c), (motor fuel).

A brief summary of the remaining six tariff proposals, which affected general imports, is given in the Tariff Board's annual report:—

At the close of the year 1938-39 the only schedule of proposed duties requiring ratification (or otherwise) by Parliament was that introduced on May 3, 1939. That schedule increased the general tariff rates on a range of goods, importation of which had been restricted while the trade diversion policy introduced in 1936 was in operation. The schedule was superseded by one introduced on September 14, 1939. During the year under review the Tariff Board completed the last of its reports on the goods included in the schedule.



The duties were debated by Parliament and are embodied in Act No. 28 of 1939 "Customs Tariff (No. 2)."

Acts No. 56 of 1939 "Customs Tariff (No. 4)" and No. 59 of 1939 "Customs Tariff (No. 5)" cover items embodied in Tariff Proposals introduced on September 14, 1939, and September 22, 1939, respectively. The two Acts mentioned covered 78 tariff items, and sub-items. Most of the alterations made were based on recommendations by the Tariff Board.

The Government, as from January 1, 1940, provided for the payment of bounty on ships exceeding 100 tons but not exceeding 1,500 tons gross register and by Act No. 62 of 1939 "Customs Tariff (No. 6)" removed the protective duties on ships of the kind on which bounty is payable. The same Act provided that machinery, boilers and auxiliaries for use in the construction of ships on which bounty is payable should be free of customs duties from all countries. Tariff Board reports on which the action indicated above was based were signed on May 31, 1935, and May 7, 1936.

Customs Tariff Proposals introduced on December 6, 1939, were later incorporated in a larger schedule introduced on May 22, 1940. The latter schedule covers 32 tariff items and sub-items and is the only protective schedule now requiring consideration by Parliament. The alterations in duty provided in the schedule are largely based on recommendations by the Tariff Board.

In addition to the above tariff alterations certain classes of newsprinting paper, when the produce or manufacture of Newfoundland, have been accorded the benefit of admission under British preferential tariff rates of duty, while most-favoured-foreign-nation treatment has been given to all goods the produce or manufacture of Brazil and Greece.

During the year under review there was one instance where Parliament rejected in full an amendment to a tariff item proposed by the Government in accordance with the Board's recommendation. The item in question was 105 (F), woollen piece-goods. Since the Ottawa Agreement 1932 there has been a similar occurrence in respect of only one other item, viz., sanitary and lavatory articles of earthenware, in dealing with which Parliament twice rejected the Government's proposals, which adopted Tariff Board recommendations, once in 1936 and once in 1938.

### COMPETITIVE POSITION OF AUSTRALIAN INDUSTRY

In recent years the Commonwealth Tariff Board has supplied tables showing a comparison of costs of certain materials and services in Australia and the United Kingdom, which will, no doubt, be of interest to Canadian manufacturers, revealing as they do the general trend of such costs in the two countries. The Tariff Board points out that under wartime conditions such comparison is of much less significance owing to the many factors other than cost of production affecting the competitive position of Australian and British raw materials. Of particular interest is the comparison of iron and steel production prices, particularly between June, 1939, and June, 1940:—

#### *Iron and Steel Production Prices*

	June, 1939		June, 1939		June, 1940	
	Australia	U.K.	Australia	U.K.	Australia	U.K.
	Per Ton		Per Ton		Per Ton	
	Stg.	Stg.	Stg.	Stg.	Stg.	Stg.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Pig iron . . . . .	6 10 0	3 5 0	4 10 0	5 10 6	4 10 0	6 6 0
Structural steel . . . . .	12 12 6	7 7 6	10 2 8	10 8 0	10 2 8	13 13 0
Bar steel . . . . .	12 12 6	7 15 0	10 2 8	10 17 0	10 2 8	14 9 6

Similarly, the trend of coal costs is shown, although these costs do not necessarily refer to the same grades of coal but indicate the trend of prices only:—

#### *Coal Production Prices*

	Australia Average Value of New South Wales Coal at the Pit's Mouth (C'wealth Statistician)	United Kingdom Average Export Price Per Ton, F.O.B. (Brit. Board of Trade)
	Per Ton	Per Ton
	s. d.	s. d.
1930 . . . . .	14 8 (Stg.)	16 8 (Stg.)
1937 . . . . .	11 7 (Aust.)	18 7 (Stg.)
1938 . . . . .	11 9 (Aust.)	20 10½ (Stg.)
1939 . . . . .	12 1 (Aust.)	(Not available)

A comparison of wage movements in Australia and the United Kingdom by the Board indicates a comparatively stable position (base, 1929=100):—

WAGE MOVEMENTS		
June—	Australia	United Kingdom
1929 . . . . .	100.00	100.00
1937 . . . . .	84.98	100.60
1938 . . . . .	90.39	103.77
1939 . . . . .	93.42	106.28
1940 . . . . .	94.28	115.58

Finally, the trend of interest rates in respect of government bonds discloses a similar stability in availability of funds at reasonable rates:—

*Interest Rates*

	Australia Yield on Bonds (Melbourne Monthly Average) Per Cent	United Kingdom Yield on Consols ("Economist") Per Cent
1929 . . . . .	5.33	4.61
1930 . . . . .	6.22	4.49
1931 . . . . .	Conversion	4.40
1932 . . . . .		3.75
1933 . . . . .	3.73	3.40
1934 . . . . .	3.33	3.10
1935 . . . . .	3.56	2.89
1936 . . . . .	3.85	2.94
1937 . . . . .	3.80	3.29
1938 . . . . .	3.71	3.39
1939 . . . . .	3.93	3.75
1940 (April) . . . . .	3.25	3.45

EXTENSION OF INDUSTRY

Many of the more important inquiries reported upon by the Tariff Board were in process of investigation at the outbreak of war, but the general evidence adduced indicates a steady extension of industry along sound lines. Most of the inquiries dealt with protection required on goods which had been manufactured in the Commonwealth for some time. A number, however, dealt with the extension of local manufacture into industries new to Australia or with the expansion into new lines by established industries. Of these, the most important lines affecting overseas imports were Axminster carpets, engineers' and saw files, screen-printed silk and artificial silk piece-goods produced from piece-goods imported in the grey, knitted elastics and knitted elastic piece-goods for women's corsets, and metal hinges.

In addition to the above the proposed manufacture of metal foil and leaf in Australia was also dealt with by the Board. The difficulty of obtaining, under wartime conditions, aluminium for the manufacture of these items has delayed the establishment of this projected industry.

TARIFF BOARD DECISIONS

Of the numerous reports submitted by the Tariff Board during the year under review, a few of the more important decisions of interest to Canada are summarized briefly herewith, indicating as they do the methods employed by the Tariff Board and the underlying reasons for recommendations eventually put forward.

WOOLLEN GOODS

A former report of the Tariff Board (dated June 16, 1930) covered an investigation of all phases of the woollen manufacturing industry, including top making, yarn spinning and the weaving of fabrics. This thorough investiga-

tion arose from a request on the part of British interests that duties be reviewed under the provisions of Article 10 of the Ottawa Agreement. Article 10 provides that "the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production."

It was maintained by Australian manufacturers that these requirements had been fulfilled by reductions in rates of duty under the British preferential tariff made by tariff proposals dated September 1, 1932, just after the Ottawa Agreement came into effect. After exhaustive investigation and comparison of production costs in the United Kingdom and Australia with regard to tops and yarns, reductions in duties on these items were recommended. It was realized, however, that the extensive variety of woollen fabrics and differences in working methods in the two countries necessarily introduced a greater element of speculation in that section of the industry. The Tariff Board made such comparisons of cost and service factors, selling prices, etc., as were possible, and in the light of these recommended that duties on woollen fabrics be reduced.

#### GLUCOSE

Local manufacture supplies over 96 per cent of Australia's glucose requirements, and the industry is practically controlled by one company. This company requested protection which would have amounted to over 100 per cent ad valorem, while freight, insurance and landing charges would have represented a further 50 per cent ad valorem. A comparison of costs in the United Kingdom and Australia showed that the selling price of one ton of glucose in the United Kingdom exceeded the cost of maize into the factory by approximately £7 sterling, while in Australia the difference was approximately £19 Australian. After examination by the Board of the factors constituting the respective margins between cost of maize and selling price of glucose in the two countries, it was concluded that either (a) the Australian industry is not efficiently or economically conducted, or (b) the Australian manufacturer is using the shelter of the tariff to make excessive profits. In order to correct this situation, the Board recommended a reduction in duties, under existing conditions, from 10s. to 7s. per cwt. (British preferential tariff) and from 20s. to 17s. per cwt. (general tariff).

#### FINE PRINTING AND WRITING PAPERS

The Tariff Board's inquiry on this subject followed a request by the sole Australian manufacturer for duties of 1d. per pound (British preferential tariff) and 2d. per pound (general tariff) to be applicable not only to the range of fine printing and writing papers made by the company concerned but also to those lines which the company might produce in order to obtain an economic output. Investigations revealed that, initially, paper produced by the applicant company from imported pulp had met with the general approval of the trade, but later productions from eucalyptus pulp were not altogether satisfactory. Importers from overseas sources objected that the request for increased duties was premature and the suggested rates excessive; that the applicant company's methods of distribution were inequitable, direct dealings with wholesale paper merchants only resulting in discrimination against smaller printers and retailers previously purchasing from overseas at economic prices.

The capacity of the local mill was estimated at approximately 20,000 tons annually. Import statistics showed annual purchases from overseas of approximately 50,000 tons, but did not include details of the various lines included. From the survey conducted by the Board it was ascertained that there was a local demand for at least 31,000 tons of the lines from which the applicant company could choose the most economic sections to make up the 20,000 tons



needed to fill its machines. In this connection the Tariff Board pointed out that some varieties of paper were required in fairly large tonnages of uniform character and others in comparatively small individual quantities, and suggested that the applicant company could take advantage of the tonnage margin revealed by quoting attractive prices for the standardized lines and sufficiently higher prices on other varieties to offset their higher costs of production.

On this basis the Board finally recommended a reclassification of writing and printing papers—that both classes of paper be incorporated in two new items, one a protective and the other a non-protective item, the former with specific rates of £3 10s. per ton (British preferential tariff) and £7 10s. per ton (general tariff), the latter free (British preferential tariff) and £4 per ton (general tariff). The protective rates recommended by the Board were much lower than those requested by the applicant company but were judged to be sufficient to enable the industry to become established on sound lines. The Board suggested a review of the industry in three years, by which time the applicant company should have overcome its initial difficulties, and at which time it should be possible to judge the effect on the community of the policy the company elected to follow.

#### HOOP PINE FOR EXPORT BUTTER BOXES

This inquiry resulted from a fear expressed by large butter exporters regarding the inadequacy of supplies of suitable local butter-box timber, which is limited to New Zealand white pine, North Queensland kauri pine, and Queensland hoop pine, these three timbers only being permitted in the manufacture of export butter cases under the Australian Commerce Act. The New Zealand timber has always been regarded as the most suitable and accessible, but owing to a domestic shortage in New Zealand, supplies have become very limited and uncertain. Experiments were carried out with Canadian hemlock, already used for the manufacture of domestic butter boxes but not permitted for export boxes. The results were satisfactory, but a review of available reserves of Queensland hoop pine satisfied the Tariff Board that sufficient quantities to meet butter export requirements are available for possibly five years, with Victorian mountain ash as an alternative.

#### COTTON

Careful studies were made of the cotton industry, and during the year under review eleven separate reports dealing with various phases of the cotton growing, spinning and weaving industries—to meet Australia's rapidly increasing needs—were submitted by the Tariff Board.

In connection with the production of raw cotton the Board criticized the low yield per acre achieved by growers and made a number of suggestions for improvement of yield and production methods. A continuance of the system of bounty to ensure growers a virtually constant return per pound was recommended. The bounty would also, in the Board's opinion, enable spinners to obtain either local or imported lint at duty-free parity, and thus be at no disadvantage as regards raw material in competing with overseas spinners.

In certain items, such as cordage yarns, the Board was satisfied that there was no necessity for increased protection, while condenser yarns and coconada yarns for towels were recognized as a logical extension of the industry, and it was recommended that protection be afforded in this instance. In respect of cotton yarns n.e.i. the rates in operation were considered to be too high, and a reduction was recommended.

An interesting decision was made with regard to cord and cord fabric for pneumatic tires, which items are largely supplied from Canadian sources. A company commencing manufacture in Australia requested protective duties and restriction of imports by quota. The Tariff Board regarded this industry

as worthy of assistance, but realized that extreme caution was necessary in view of the exacting nature of the uses of these products and the serious results which would result from faulty manufacture. In the Board's report it was pointed out that a heavy duty would force local tire manufacturers to buy the Australian tire cord before its efficiency had been demonstrated, whereas a moderate duty would not lessen imports but would greatly add to costs. The Board therefore decided to recommend a bounty of 3½d. per pound on all tire cord fabrics wholly produced in Australia and sold to manufacturers for use in Australia, and, further, the provision of a fund for payment of bounty when it exceeded £5,000 per annum by means of a deferred duty on one halfpenny per pound on imports, which in the meantime were to be admitted free of duty (British preferential tariff) and 15 per cent ad valorem (general tariff).

Numerous other examples of the methods of operation and decisions submitted by the Tariff Board are included in their annual report for the year under review, but the foregoing show clearly the impartial nature of reports and the care exercised to ensure stability of industry and the maintenance of their competitive position.

#### EFFECT OF WAR CONDITIONS ON THE WORK OF THE TARIFF BOARD

The Tariff Board dealt at some length with the effect of present war conditions on both the cost of and difficulty in obtaining many overseas products and supplied some interesting conclusions regarding this important phase of Australia's trading position. Some of the points emphasized by the Board were as follows:—

##### 1. *Factors Operating in the Country of Export—*

- (a) Increase in the cost of factors of production, i.e., wages, materials and overheads. Statistics available show that in the United Kingdom at least the increase in the cost of these has been greater than in the Commonwealth.
- (b) Increases in selling prices which may be greater than are required by increases in the cost of production. Increases in the overseas level of prices because of either or both these factors, in so far as they exceed the increase in the level of prices in Australia, reduce the necessity at present for rates of duty which applied before the war. A recent pronouncement by the Commonwealth Prices Commissioner was to the effect that, whereas the British wholesale price level of basic commodities has risen by about 35 per cent, in Australia, taking the most adverse view, the rise is 10 per cent. In Canada the rise in wholesale prices is 14 per cent.
- (c) Difficulty in obtaining the goods. This may arise because of shortage of supply, increase in demand, conversion of factories to the production of war supplies, or the fact that the export of the commodities is prohibited or controlled by the Government of the exporting country. Another reason is enemy occupation of the main exporting country or the cutting off of communication between Australia and such country.

##### 2. *Factors Affecting the Transfer of Goods to Australia—*

- (a) Depreciation of Australian currency in terms of foreign currency. This, of course, affects only goods coming from non-sterling countries whose currency has appreciated in terms of sterling.
- (b) Difficulty and delay in obtaining shipping space.
- (c) Increases in freight.
- (d) War-risk insurance.

##### 3. *Factors Operating in Australia—*These are perhaps of the greatest importance, in view of the protection to Australian industries in the form of—

- (a) A special war duty on all importations amounting to 10 per cent of customs and primage duties leviable.
- (b) Operation of the Customs (Import Licensing) Regulations, under which many classes of goods from non-sterling countries are prohibited; importation of practically all other goods from non-sterling sources is restricted, in many cases severely; and the control by the Department of Supply and Development of some sterling importations of an essential nature.

The Board also called attention to a final factor which may result in further restrictions of importations, including those from sterling countries, and that is the state of the balance of funds held to Australia's credit in London, and the necessity for the maintenance of such funds to meet external commitments, including those incurred by the Commonwealth's war effort.

The Commonwealth Tariff Board is definitely of the opinion, therefore, that, except in very special cases, Australian manufacturers do not now require the customs tariff to protect or assist in their operations. In recent reports the Board has merely indicated the rates of duty that it would have recommended under pre-war conditions; that in practically all cases increased protection was neither necessary nor justified under existing conditions; and, in any case, the Board was unable to predict competitive conditions after the war and felt that it could not recommend rates to apply in the post-war period.

#### EXPANSION OF INDUSTRIES UNDER WAR AND POST-WAR CONDITIONS

The increased cost of importing, plus the attendant difficulties enumerated above, leads the Commonwealth Tariff Board to expect a great expansion of existing Australian industries and the commencement of many new enterprises. The Board emphasizes, however, the danger that the protection afforded Australian industries by existing conditions may result in the establishment of industries which would have little or no prospect of surviving when normal times return. It also points out, however, that efficient means of control at present exist to safeguard against uneconomic development, these being: (a) the Customs (Import Licensing) Regulations, which give power to control or restrict the importation of goods. Under present conditions the importation of plant or material from non-sterling sources, intended for new industries whose establishment was not justified, could be prevented by the refusal of import licence; (b) the National Security (Capital Issues) Regulations, under which the Government has power to refuse consent to the registration of new companies. This provision could be used to prevent the establishment of undesirable or uneconomic industries.

The Board concluded its report in this connection by proposing that industries which it is suggested should be established during the war, and proposed extensions of existing industries, should be examined with a view to being classified into the following three divisions:—

- (a) Those which are desirable for permanent establishment in Australia and which should be assured of reasonable and adequate protection after the war.
- (b) Those undesirable for *permanent* establishment in Australia, but desirable to meet the temporary exigencies of war. These industries would be those to which the Government might consider according reasonable assistance in liquidation when hostilities cease, if such assistance is justified.
- (c) Industries not coming within (a) or (b) and which should receive no consideration or assistance from the Government.

The Board further intimated that proposals for the establishment of industries after the war could also be examined and, after receiving the Board's views, the Government could indicate whether such industries were or were not of a class which would receive assistance if necessary. Procedure along these lines would provide a safeguard against the setting up under present conditions of industries which might after the war prove to be definitely uneconomical, and would also eliminate hesitation to expand existing industries, which at the moment is evident in many instances.

#### WARTIME ACTIVITIES OF THE TARIFF BOARD

It is noteworthy that, in view of the Tariff Board's wide experience and many sound recommendations, that body has been co-opted as Advisory and Consultative Committee to the Economic Cabinet to investigate matters referred to it through the Director of Economic Co-ordination.



Matters dealt with by the Board since its appointment in the above capacity include the following:—

- (a) The desirability of industries in respect of which application had been made under the National Security (Capital Issues) Regulations for permission to register preliminary to the raising of capital.
- (b) Matters connected with import quota under the Trade Diversion Policy and also with the import licensing system.
- (c) Examination of a proposal for a large state undertaking of national importance in which the Commonwealth Government was interested.
- (d) The utilization of Australian materials to conserve non-sterling exchange.
- (e) The marketing of Australian products.

## AUSTRALIAN TRADE AND ECONOMIC NOTES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

### NAVAL SHIPBUILDING IN AUSTRALIA

Sydney, January 16, 1940.—Recent public statements by the Minister for the Navy, the Hon. W. M. Hughes, indicate that rapid progress is being made in the development of naval shipbuilding in the Commonwealth. In past years Australia has produced cruisers, sloops, destroyers and a sea-plane carrier in addition to the merchant ships produced at the close of the last war, so it is evident that the necessary skilled labour and equipment will be forthcoming.

At present seven yards are employed in naval construction work, the most important item in the present naval program being the production of 48 patrol vessels for escort and anti-submarine work. A number of these vessels of between 800 and 900 tons will be in commission shortly and the program will be completed towards the end of 1941.

A Commonwealth-wide scheme involving additional shipyards for merchant ship construction is now under consideration.

### QUEENSLAND COTTON CROP IN 1940

The Queensland cotton crop in 1940 is reported to be some 8,370 bales, some 4,000 bales below the previous year. This decline is largely due to serious drought conditions early in the season, but every effort is now being made to increase cotton production and arrangements have been made for very heavy plantings.

It is hoped that the 1941 crop will approximate 20,000 bales. This quantity will be inadequate, however, for the Australian textile industry, which will need about 70,000 bales as a result of extensive additions to plant and heavy demand for defence purposes.

### DRIED MILK, EGGS AND FRUIT

The Commonwealth Government have made arrangements for a complete survey of Australia's capacity to supply increased quantities of dried milk, dried eggs and dried fruits to the United Kingdom. The Minister for Commerce, Mr. Anthony, states that, due to changes in the diet of the civil population of Great Britain, an additional 50,000 tons of dried milk will probably be required in the near future, and much greater supplies of dried eggs and dried fruits.

Consideration is also being given to the manufacture in Australia of suitable food-drying machinery, to the extension of plants, and also the possibility of extending the output capacity of present establishments.

## EMPLOYMENT

Employment of all kinds, military and civil, has increased by 250,000 since the commencement of hostilities. This is a rise of 12 per cent on the total number employed in August, 1939. It is stated that 90,000 of this number are engaged in civil production and 160,000 in the various fighting services.

## PRODUCTION OF FERRO-ALLOYS IN AUSTRALIA

The manufacture of ferro-alloys from Australian raw materials has been begun by the Broken Hill Proprietary. This industry is the newest of a series established in New South Wales, and is the first of its kind in the Commonwealth, all alloys having been previously imported from overseas.

Ferro-silicon, ferro-chrome and ferro-manganese are the three alloys to be produced. Of particular importance is the production of tungsten, which is now being made from Australian ores.

## WAR LOAN SUBSCRIPTIONS

The Commonwealth War and Works Loan of £28,000,000, which closed on December 14, was oversubscribed by £300,000. The Commonwealth Treasurer announces that the number of applications was 21,000, and that approximately £20,750,000 of the amount applied for, had been taken in long-dated securities— $3\frac{1}{4}$  per cent maturing in 1956, and £7,550,000 in short-dated securities— $2\frac{3}{4}$  per cent maturing in 1945.

As the loan was issued at a time when the Government had just announced drastic increases in war taxation, the response is considered very gratifying. Strong support was given by insurance companies, banks, financial institutions and industrial and commercial houses, in addition to increased support from small investors.

## MEAT EXPORTS FOR 1939-40

Exports of meat from Australia for the year ending June 30, 1940, were valued at £14,316,540. The contract under which the British Government undertook to purchase 240,000 tons of Australian meat for the year ended September 30, 1940, ensured for the producers stabilized prices on the basis of a fair margin of profit at a time when prices throughout Australia were tending downward. It also ensured the marketing of increased quantities when restrictions on the export of some classes was pending.

A record total of 5,059,110 carcasses of lamb was exported. Quality, gradings and average weight were reported to be at higher levels than at any time previously. Similarly pig meat exports were the highest ever recorded, the advance having been made principally in South and Western Australia.

## NEW EMPIRE AIR SERVICE

Changes in the Empire Air Service, and the inauguration of a new route across Africa, will permit air mail to be sent between London and Sydney in 18 days.

Because of the war, letters have previously had to be sent a great part of the journey by sea, and the time of transit has, as a rule, been approximately five weeks. The letters have been taken by air to Durban and thence by boat to Britain.

The new air services will go from Cairo to Lagos, Nigeria (3,500 miles), Lagos to Bathurst, Gambia (1,700 miles), Bathurst to Lisbon, Portugal (1,900 miles), and Lisbon to England (1,200 miles).

### RECOVERY OF TIN FROM SCRAP

An electrolytic process perfected by a Czecho-Slovakian refugee is now being used in New South Wales for the recovery of pure tin from scrap. A new company has commenced operations with the new process and is already working 24 hours per day. Machinery is being installed to double the capacity and additional factories are being erected in Victoria and South Australia. The formula employed is claimed to be greatly in advance of the method employed in Great Britain and the United States, and is stated to yield tin which is almost spectroscopically pure.

### RISE IN AUSTRALIAN COMPANY PROFITS

Profits announced this year by 685 companies engaged in all classes of Australian industry, with the exception of mining, aggregated £30,033,101 as compared with £28,934,399 in 1939, a rise of £1,098,702.

The improvement in aggregate profits, despite the war, loss of trade with eleven countries, drought conditions and increased taxation, was mainly the result of government expenditure on defence, increased prices and overtime work. Of the profits announced by the 685 companies, those of 143 were steady, of 318 higher and of 224 lower.

### AUSTRALIAN FLAX CROP IN 1940

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, January 6, 1941.—In spite of a reduction in yield due to dry seasonal conditions, the crop being harvested under the Commonwealth Government's flax-production scheme is officially estimated at 24,000 tons of flax straw from a sown area of 21,000 acres. Sown under contract by the Department of Supply and Development in Victoria, Tasmania and Western Australia, this area comprised 8,000 acres under the original proposal to produce for Australian requirements and 13,000 acres sown in Victoria, Tasmania and Western Australia at the urgent request of the British Government to cover part of the shortage resulting largely from the cessation of supplies from Russia and Belgium. Under this arrangement the British Government will pay to the Commonwealth Government from £A96 to £A180 a ton, according to grade, for linen fibre.

Fourteen mills for processing the flax straw have been erected or acquired in the country districts which were selected as most suitable for flax growing. Under the first season's operation of the scheme the value of the crop, when processed, will be approximately £A361,000. Capital expenditure on mills, plant, etc., stands at £A185,000.

It is unfortunate that the first effort should have been launched in an unfavourable season, but the growth of the plants under the adverse conditions was such as to indicate that in a normal year high yields of good quality fibre may be expected. Most of the crops this year were short, probably averaging little more than 12 to 15 inches.

The economic value of flax to Australia has been stressed frequently, but the crop has not before assumed national importance. It may be that a wartime necessity will be the means of introducing a new and valuable cash crop to Australian farmers.



**NEWSPRINT IN THE UNITED STATES IN 1940**

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, February 20, 1941.—The newsprint industry in the United States, like many other industries, was directly affected by the war or preparations for war. While the North American newsprint production was 16 per cent above that of 1939, United States production was up 7·9 per cent. Imports of newsprint showed small gains, and exports, although small, showed a substantial increase over those for the previous year. Consumption was above that of 1939, although newspaper advertising increased only two per cent. Stocks on hand at the mills and held by publishers are considered to be only a fair reserve under present conditions.

**PRODUCTION**

According to the News Print Service Bureau at New York, the production of newsprint paper in the United States in 1940 showed a marked increase over that for the previous year and was the highest since 1931. The output amounted to 1,103,437 tons, a gain of 7·9 per cent over the 1939 total of 939,442 tons, and accounted for 21·1 per cent of the North American production of 4,784,835 tons. The heavy production during the past year was stimulated by an increased demand in overseas markets and by the large decrease in United States imports from European countries. The industry operated at approximately 93 per cent of capacity as compared with the continental average of 82 per cent for 1940.

**IMPORTS**

As a result of the war, United States imports of newsprint from Europe practically ceased after the first four months of 1940. However, this has not had any material effect on United States supplies, as this country was able to increase her imports from Canada and Newfoundland as well as raise her own production.

The following table shows United States imports of newsprint paper by countries for the years 1937 to 1940:—

	1937	1938	1939	1940
	Tons	Tons	Tons	Tons
Total . . . . .	3,317,024	2,274,603	2,615,040	2,762,535
Canada . . . . .	2,894,708	1,963,436	2,205,559	2,604,514
Newfoundland . . . . .	128,344	68,121	99,098	124,171
Europe . . . . .	293,953	243,065	310,383	33,850
Sweden . . . . .	101,631	71,553	61,896	9,179
Germany . . . . .	13,023	9,556	6,376	.....
Finland . . . . .	154,646	151,134	194,960	23,096
Norway . . . . .	24,653	10,822	42,403	1,575

Imports of newsprint paper in 1940 amounted to 2,762,535 tons, an increase of 147,495 tons or 5·6 per cent over the 1939 figure. Imports in 1940 were 20·9 per cent over the 1938 imports but 16·7 per cent below the large 1937 imports of 3,317,024 tons. Of the total imports in 1940 Canada and Newfoundland furnished 98·7 per cent or 2,728,685 tons as compared with 2,304,651 tons in the previous year, an increase of 18·3 per cent. Imports from European countries amounted to only 33,850 tons as against 310,383 tons in 1939 and 243,065 tons in 1938.

**EXPORTS**

The following table shows United States exports of newsprint paper in 1940, with comparative figures for 1939:—

	1940	1939
	Tons	Tons
Total . . . . .	43,915	13,493
Canada . . . . .	10	31
Central America . . . . .	1,166	1,841
Mexico . . . . .	942	157
Cuba . . . . .	1,858	1,341
South America . . . . .	5,710	1,699
Asia . . . . .	21,023	4,444
Philippine Islands . . . . .	15,879	521
Europe . . . . .	332	133
Other countries . . . . .	1,629	581

The increase in shipments abroad was due to the fact that South American as well as Asiatic countries have turned to the United States and Canada for supplies obtainable from European countries prior to the war. The greatest increase was shown in exports to Asia, the Philippine Islands and South America.

### STOCKS

Shipments of newsprint paper from the mills in 1940 amounted to 1,012,934 tons, leaving 13,455 tons as mill stocks at the close of the year as against 12,952 tons at the close of 1939. Publishers' stocks on hand and in transit as of December 31, 1940, were placed at 356,472 tons, a gain of 8 per cent over the 328,424 tons on December 31, 1939. Under present conditions publishers' stocks and mill stocks are considered to be only a fair reserve to allow for contingencies which often arise during time of war or preparation of war.

### CONSUMPTION

According to the American Newspaper Publishers Association, it is estimated that 3,709,028 tons of newsprint paper were consumed in 1940 as compared with 3,545,736 tons in the previous year, a gain of 4.5 per cent. The consumption of newsprint by publishers reporting to the Association was placed at 2,855,952 tons or 77 per cent of the total estimated consumption. The 4.5 per cent increase may be considered fair, as newspaper advertising increased only 2 per cent during the year. The principal reasons for the increase were the changes in sizes and circulations due to varying war interests. While the leading daily newspapers were the same size (average 27 pages) as in 1939, the average Sunday newspaper increased from 82 to 86 pages in 1940. The circulations of morning, evening and Sunday newspapers recorded a gain of 2 to 3 per cent for the year.

### OUTLOOK

The newsprint industry does not look for any materially larger consumption of newsprint paper in the United States in 1941 than occurred in 1940. It is not expected that sustained newspaper circulation will be much greater than at present. Although there may not be much improvement in national newspaper advertising, some increase in advertising for consumer goods during 1941 may be anticipated.

The News Print Service Bureau reports that nothing has occurred in the industry to reduce possibilities of newsprint production during this year in North America. However, under the defence program there is the possibility of restrictions being established for the purpose of concentrating upon war materials, which may hamper the production of newsprint paper.

## MARKET CONDITIONS FOR DRIED FISH IN CUBA

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### HAVANA MARKET

Havana, February 19, 1941.—Sales of Canadian cod to the Havana market during the past thirty days amounted to upwards of 2,000 bales and boxes, baled fish accounting for a high proportion of this amount. This fish is all for delivery during the current month.

There are no offers from Canadian exporters at the present time; the latest quotations at which business was transacted were \$10.25 for large cod in bales and \$10.75 for 15/18 tails in bales. The same grades in boxes sold at 50 cents above these prices.

A shipment of Icelandic cod, amounting to approximately 1,000 bales, arrived yesterday (February 18). No information is available as to the price

at which this fish was purchased. This must be considered to be an occasional shipment, and Iceland cannot be expected to offer codfish regularly in the near future.

With the exception of one important importer, the local market appears to be absorbing recent price advances with no great difficulty. In view of the scarcity of supplies, all agents are requesting offers from their principals for all types of dried fish and at their own price, and without exception the agents seem to be of the opinion that they can still sell in this market at prices higher than those mentioned above.

#### SANTIAGO MARKET

A moderate increase in consumption of codfish is reported for the Santiago market as a result of the sugar harvest, which has provided work for many thousands of cane cutters. There has been an advance in the price for small- and medium-sized fish, which are the types sold in this market, but there seems to be no shortage of these grades. Deliveries are reported to be going forward on schedule.

### IMPORTS OF DRIED SALT AND SMOKED FISH INTO THE DOMINICAN REPUBLIC

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, February 12, 1941.—Statistics of imports of dried salt and smoked fish into the Dominican Republic during the first six months of 1940 reflect the first effects of the trade treaty between Canada and the Dominican Republic, signed on March 8, 1940. A treaty between the latter country and Newfoundland was signed on March 16, 1940, and, since the United States has a most-favoured-nation agreement with the Republic, that country also shares in all the tariff concessions granted to Canada and Newfoundland. The Franco-Dominican Republic trade treaty, which provided for duty-free entry of dried salt fish only (not smoked fish), was suspended on December 15, 1939.

#### DRIED SALT FISH

The following table shows imports of dried and salted fish into the Dominican Republic by countries of origin in each of the months January to June of 1939 and 1940:—

#### *Imports of Dried and Salted Fish*

	Canada		Newfoundland and Labrador		United States		France, St. Pierre and Miquelon		Total all Countries	
	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$
January—										
1940 .. .. .	9,115	1,019	.....	.....	.....	.....	58,050	5,186	67,215	6,229
1939 .. .. .	.....	.....	.....	.....	45,119	5,326	43,545	4,099	88,697	9,440
February—										
1940 .. .. .	28,281	2,824	17,418	1,556	25,662	3,170	69,205	7,318	140,566	14,868
1939 .. .. .	26,179	1,440	.....	.....	79,933	9,222	114,969	11,504	221,128	22,186
March—										
1940 .. .. .	53,122	5,559	52,254	4,776	22,716	2,535	.....	.....	128,122	12,883
1939 .. .. .	1,742	187	.....	.....	112,370	13,049	111,766	18,795	236,243	33,075
April—										
1940 .. .. .	43,230	4,548	20,321	1,794	30,942	3,063	.....	.....	94,493	9,405
1939 .. .. .	.....	.....	.....	.....	39,221	4,765	42,097	4,342	81,318	9,107
May—										
1940 .. .. .	49,430	5,305	43,545	3,776	67,223	6,173	.....	.....	160,198	15,254
1939 .. .. .	.....	.....	.....	.....	50,877	5,818	55,157	5,630	106,065	11,460
June—										
1940 .. .. .	15,502	1,519	36,578	3,211	1,467	176	.....	.....	53,547	4,906
1939 .. .. .	.....	.....	.....	.....	48,848	5,153	34,030	3,603	82,902	8,765



*Imports of Dried and Salted Fish—Concluded*

6 months—	Canada		Newfoundland and Labrador		United States		France, St. Pierre and Miquelon		Total all Countries	
	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$
1940	198,680	20,774	170,116	15,113	148,010	15,117	127,255	12,504	644,141	63,545
1939	27,921	1,627	.....	.....	376,268	43,333	401,564	47,973	816,353	94,033
Percentage—										
Inc. or dec.	+	711	+	1,277	.....	61	—	65	—	32
Per cent of total imports—										
1940	31	33	26	23	23	24	20	20	100	100
1939	3.4	1.7	.....	.....	46	46	49	51	100	100

Due to depressed conditions in the Republic, imports of dried salt fish from all countries were 32 per cent less in the first six months of 1940 than in the corresponding period of 1939. Had it not been for the elimination of the internal revenue tax on this type of fish, which permitted its sale within the Republic at a considerably reduced price, it is very likely that the total imports would have been substantially less than the amounts shown.

The definite swing away from France and its colonies to Canada and Newfoundland as the chief suppliers of this type of fish is very marked. In addition, despite the fact that the United States also receives the same tariff concessions as do Canada and Newfoundland, the total imports from the United States dropped in volume by 61 per cent. This may be accounted for by the fact that while the French treaty was in force a noteworthy proportion of the Canadian business with the Dominican Republic was done through the medium of United States firms in Maine. After Canada was granted the same concessions as the French had had previously, this business was conducted direct by exporters in Canada with Dominican importers. Canada's percentage share of this trade increased sevenfold in volume and nearly thirteenfold in value. It was almost wholly made up of scale fish (hake, pollock and cusk), with little haddock, since Canadian exporters have found it difficult to compete against Newfoundland shippers in codfish, due to the appreciably lower price of that country's product.

As shown in the foregoing table, the price of dried salt fish has increased considerably since 1939.

Canada's share of the total trade, 31 per cent by volume and 33 per cent by value, is expected to increase considerably, as is that of Newfoundland, when the figures for the whole year are available.

Norway has not been a shipper of dried salt fish to the Dominican Republic. The small amounts unaccounted for under the heading "total, all countries" are made up of monthly receipts of a few kilos of a special type of dried fish from China.

*SMOKED FISH OR BLOATERS*

The following table shows imports of bloaters and other smoked fish into the Dominican Republic by countries of origin in each of the months January to June of 1939 and 1940:

*Imports of Bloaters and Other Smoked Fish*

	Canada		Norway		United States		Total all Countries	
	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$
January—								
1940	24,495	1,887	4,082	257	20,004	1,350	48,581	3,494
1939	47,297	2,292	1,632	90	.....	.....	49,383	2,487*
February—								
1940	13,681	1,271	.....	.....	230	57	13,911	1,328
1939	47,026	2,437	7,313	404	540	123	72,297	4,614†
March—								
1940	48,172	3,877	.....	.....	2,449	180	50,621	4,057
1939	26,904	1,463	9,365	506	61	15	36,330	1,984
April—								
1940	33,473	2,515	8,162	520	4,171	295	45,806	3,330
1939	8,181	450	33,061	1,849	.....	.....	45,324	2,523‡

	Canada		Norway		United States		Total all Countries	
	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$	Kilos	U.S.\$
May—								
1940 .....	36,833	2,918	.....	.....	5,715	425	42,548	3,343
1939 .....	818	62	26,086	1,538	680	197	27,584	1,797
June—								
1940 .....	69,680	5,392	.....	.....	.....	.....	69,680	5,392
1939 .....	15,798	1,052	44,152	2,611	10	14	59,960	3,677
6 months—								
1940 .....	226,334	17,860	12,244	777	32,569	2,307	271,147	20,944
1939 .....	146,024	7,756	121,609	6,998	1,291	349	290,878	17,082
Percentage inc. or dec. . . . .	55	130	90	89	2,423	564	7	20
Per cent of total imports—								
1940 .....	83.5	85.3	4.5	3.7	12.0	11.0	100.0	100.0
1939 .....	50.2	45.4	41.8	40.9	0.44	2.0	100.0	100.0

\* Includes imports of 454 kilos valued at \$106 from the Virgin Islands.

† Includes imports of 17,418 kilos valued at \$1,650 from France.

‡ Includes imports of 4,082 kilos valued at \$224 from Madagascar.

Under the Franco-Dominican Republic trade treaty, there is no reduction in the national revenue tax on smoked fish or bloaters entering the Republic. The effect of the reduction which Canada obtained by treaty on this product, resulting in a cheaper price to the Dominican consumer, is evident from the fact that the decrease in imports by weight was held to 7 per cent, whereas there was an increase in the total imports by value of 20 per cent.

Bloaters similarly have considerably increased in price since 1939. Practically the whole of the imports shown in the foregoing table is made up of bloaters, although other types of smoked fish in very small quantities contribute to the import total.

Canada's share of the imports in the 1940 period, as compared with figures for the same months of 1939, increased 55 per cent by weight and 130 per cent by value. For the first six months of 1940 Canada's share amounted to 83.5 per cent by weight and 85.3 per cent by value as compared with 50.2 per cent and 45.4 per cent respectively in the similar period of the preceding year.

Normally Norway is the second most import supplier of bloaters to the Dominican Republic. The effect of Canada's treaty with the Republic, rather than war conditions, is responsible for Norway having been almost completely eliminated as a supplier, since Norwegian fish continued to arrive in these markets until well on towards the end of 1940.

The participation of the United States in the bloater trade is due to the activities of certain Canadian branch smokeries in Maine.

It is reported that the Newfoundland Fisheries Board has increased the price of Labrador semi-dried to \$8.25, and that some Newfoundland exporters have recently sold at \$8.50. It was generally expected in the Dominican Republic at the end of January that the Newfoundland Board would raise the price still higher. Little codfish is offered from Nova Scotia, and prices at the end of January were 75 cents higher than at the beginning of that month. There were sales of pollock at \$9.50 c.i.f.

Offers for haddock and hake are scarce, and prices are reported to have gone up 50 to 75 cents per 128 pounds since the beginning of January. The last available prices were \$9 for medium-sized haddock and \$8.50 for hake, c.i.f. Ciudad Trujillo.

Prices of bloaters have also increased and are expected to go still higher. Sales are reported at prices exceeding 85 cents for count 90/110 but, as there have been offers from Cuba at 90 cents, it would appear that the present prices in the Dominican Republic must be still higher than those quoted above.

Unless some improvement occurs in the sugar market situation, the grinding season may be shortened to two or three months as compared with a normal season of five to six months. This would no doubt have a detrimental effect on general market conditions and on the demand for fish products at the higher prices obtaining at present.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### IMPORT RESTRICTIONS ON METAL MANUFACTURES

With reference to the list, published in *Commercial Intelligence Journal* No. 1921 (November 23, 1940) page 703, of manufactures of metal not elsewhere included in the tariff, classified under item No. 208(A), for which, it has been announced, no licences will be issued for importation into Australia from non-sterling countries, orders dated December 4 and December 10, 1940, placed the same restriction upon the following additional articles:

Metal containers for talcum or other powder; metal lids, caps and clips for talcum or other powder tins; colmanoscope device for ascertaining the strain in a lens used for optical purposes; brass head chain couplings; grease cups; flints for gas and petrol lighters; glaziers' diamond points of any metal; chrome tank levers; moulds for the manufacture of dolls' heads; empty oil cans; water or steam radiators; metal seals with rubber insertion for sealing oil drums and the like; springs for electric hair clippers; graphite stopper heads for use with steel pouring labels; hosiery examining forms.

#### IMPORT RESTRICTIONS ON TOOLS

With reference to the paragraph in *Commercial Intelligence Journal* No. 1930 (January 25, 1941), page 101, regarding Australian import licensing restrictions on tools, an Order of January 20, just received, gives further particulars of the restrictions placed on imports under both items 219B and 219C as from January 1. It provides that, as regards tools classifiable under tariff item 219B (hand tools, wholly or principally of metal, not elsewhere included in the tariff), licences are not to be issued for the importation of the following from non-sterling countries:—

Mortising axes; blacksmiths' tools, viz: cold sets, flatteners, fullers, hardies, hot sets, punches, side sets, swages; crowbars, jumper bars, pinch bars, spud bars, wrecking bars; caulking tools; flat and plugging cold chisels; wall drills; farriers' tools, viz: buffers, fullers, pritchells, punches, toe knives; weeder forks; paling froes; daisy grubbers; napping, quarry and spalling hammers; hoes; tire levers; masons' tools, viz: chisels, lead plumb bobs, pitchers, punches; pokers; wheel pullers; rakes; deck scrapers; post-hole spades of shovel shape; marline spikes; tinsmiths' groovers; rivet sets and seamers; tongs; garden trowels; quarry and splitting wedges; weeders; tension wrenches.

For the three-months' licensing period, January 1 to March 31, 1941, importation from non-sterling countries of replacement parts classified under item 219B, of motor vehicles, motorcycles, tractors, and agricultural machinery and implements will be licensed up to 50 per cent of the imports of the same articles by the same importer from non-sterling countries during an equal period of the base year ended June 30, 1939. Importation of the balance of goods classified under item 219B will also be restricted to 50 per cent of the base-year level. The combined total of the importer's base-year importations (excluding replacement parts specified) will be the basis of quotas for the current period.

As regards tools classified under item 219C (hand tools as prescribed by departmental by-laws), licences are not to be issued for the importation of the following from non-sterling countries:—

Blacksmiths' set hammers; hand cultivators; glass cutters; cylinder ridge removing tool or ridge reamer; turf edgers; farriers' heel cutters; border and digging forks; grease guns; tree pruners; topping (pruning) knives; lead ladles; printers' tools; paint scrapers; secateurs; garden, grass, pruning and tinsmiths' shears; spades.

For the current three-month period, importations from non-sterling countries of replacement parts for motor vehicles, motorcycles, agricultural implements and tractors (except grease guns), will be licensed up to the value of importations of the same articles by the same importer from non-sterling countries during a like period of the base year. Importa-



tions from non-sterling countries of other tools classified under item 219C will be licensed up to the combined value of importations by the same importer during a like period of the base year (excluding replacement parts above specified).

Licences are not to be issued for the importation from non-sterling countries of the following descriptions of files, classifiable under item 219F:—

Files 6 inches to 16 inches in length (both sizes inclusive), viz: flat, hand, round, square, three-square, warding; millsaw files 6 inches to 14 inches in length (both sizes inclusive); taper files, viz: regular, 4 inches to 10 inches in length (both sizes inclusive); slim, 5 inches to 10 inches in length (both sizes inclusive).

Licences for the importation during the current period of files not included in the above list will be based on the combined total of importations under item 219F by the same importer from non-sterling countries during a like period of the base year, reduced by 66½ per cent.

### **Ireland**

#### **IMPORT QUOTAS ON SPARK PLUGS**

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by an Order of the Government of Eire dated January 28, 1941, a further import quota and quota period have been announced for the importation into Eire of spark plugs and component parts thereof. The quota is 4,000 articles and the period fixed March 1, 1941, to August 31, 1941, the quantity being the same as that allowed for the preceding six months.

### **Bermuda**

#### **CUSTOMS DUTIES EXEMPTIONS FOR UNITED STATES BASES**

A Bermuda Customs Duties Remission Act, dated January 25, 1941, exempts from duty until April 30, 1941, certain machinery and materials imported for the purposes of the United States Naval and air base being established on the Islands or any such base used temporarily by the United States Government. The Act is deemed to have come into operation on November 1, 1940. It applies to any building materials, machinery or plant imported by the United States Government, or by an agent or contractor of that Government, solely for the construction of or for use on the United States base; also to any petrol, oil, or lubricants imported by the United States Government, its agent or contractor solely for use in construction of the base or solely for use of United States aircraft or survey craft used in connection with the base. If sold in the Islands or used for any purpose other than that stated, the goods in question become subject to duty.

### **Hongkong**

#### **DUTIES INCREASED ON SPIRITS AND HYDRO-CARBON OILS**

A Hongkong ordinance of January 16, 1941, imposed a new tax of 16 Hongkong dollars (\$4.30 Canadian) per gallon on gin and whisky of Hongkong production, with an additional 20 Hongkong cents (5½ cents Canadian) per gallon for each degree of strength exceeding 22 degrees under proof. At the same time the rate on gin and whisky of Empire origin was increased from Hk.\$12.50 to Hk.\$16 (\$3.40 to \$4.30) and of non-Empire origin from Hk.\$20 to Hk.\$24 (\$5.40 to \$6.50) per gallon with the same additional duty. The import duty on brandy of Empire origin was increased from Hk.\$6.25 to Hk.\$16 (\$1.70 to \$4.30) and on non-Empire brandy from Hk.\$20 to Hk.\$24 (\$5.40 to \$6.50) per gallon with same additional duties for strength exceeding 22 degrees under proof. Duties on liqueurs, wines and beers were also increased.

The import duty on light hydro-carbon oils was increased from 30 to 80 Hongkong cents (8 cents to 21.6 cents Canadian) per gallon, and on heavy oils for road vehicles from 30 to 40 Hongkong cents (8 cents to 11 cents Canadian) per gallon.

## British Malaya

### EXTENSION OF EXCHANGE CONTROL

Mr. J. L. Mutter, Canadian Trade Commissioner at Singapore, writes under date January 30, 1941, that under Exchange Control regulations, lists originally gazetted on November 17, 1939, in the case of the Straits Settlements, and on November 27, 1939, in the case of the Federated Malay States, restricted 76 commodity groups, and absolutely prohibited 236 commodity groups, as regards importation from non-sterling sources (including Canada).

Restricted items could be imported only with the written permission of the Controller of Restricted Imports or his deputies. During 1940, while each application was treated on its merits, the general practice was to allow importers of restricted items to bring in such items up to 80 per cent of imports of such in 1938. From time to time lists were added to, or revised, as experience dictated. New consolidated lists with some additions were gazetted in both the Straits Settlements and the Federated Malay States on January 24, 1941. Additions to the list of restrictions likely to be of interest to Canadian exporters are: fencing wire; wire netting; artificial silk ribbons and trimmings; motorcycle tires; inner tubes for motor vehicles and motorcycles; other manufactures of rubber; brooms and brushes (including household and toilet); lamps and lanterns, complete (except electric); toilet requisites; other sorts of wooden ware (plywood).

No quotas have been announced for 1941 but in a number of cases merchants dealing in restricted items have been granted permission to import up to 50 per cent of 1940 imports with the proviso that such percentage may be increased at a later unnamed date. It would appear that those desirous of securing permits to import regulated items from non-sterling sources will have to produce proof that (a) the item is absolutely essential and (b) cannot be obtained from any source within the Empire sterling area.

The list of goods absolutely prohibited is extended to include among other articles: chocolate and cocoa powder; coconut oil, raw or refined.

## Portugal

### RESTRICTIONS ON IMPORTS OF LUXURY GOODS

With reference to the notice in *Commercial Intelligence Journal* No. 1901 (July 6, 1940), page 35, regarding the prohibition on the import into Portugal of certain luxury goods, the *British Board of Trade Journal* of January 23, 1941, states that a Portuguese decree effective January 1, 1941, provides that the goods in question may be imported provided that an import licence has first been obtained from the Conselho Tecnico Corporativo do Comercio e da Industria. The goods affected are covered by about 125 items of the Portuguese tariff and include made-up wares of wool, silk, cotton, linen and felt, buttons, motor cars, motorcycles, leather gloves, furs, jewellery, hats and caps, leather footwear, leather handbags and purses, perfumery and soap.

## Guatemala

### CHANGE IN DUTIES

The Guatemala *Official Gazette* of February 14 announced a reduction in duty (effective in 30 days) on porcelain earth from 0.04 to 0.02 quetzal per kilo (from 2 cents to 1 cent per pound); plates or sheets of celluloid, gallalith, acetocellulose and, in general, made of synthetic plastic materials, from 0.50 to 0.20 quetzal per kilo (from 25 cents to 10 cents per pound); jute thread,

loose or twisted, for weaving, sack sewing and other similar uses, from 0·20 to 0·05 quetzal per kilo (from 10 cents to  $2\frac{1}{2}$  cents per pound); jute threads, or other vegetable fibres, not specified, for crochet, hem-stitching and other uses, from 0·25 to 0·10 quetzal per kilo (from  $12\frac{1}{2}$  cents to 5 cents per pound). There is a new classification for half-finished hats, without adornments, 1·75 quetzal per kilo ( $87\frac{1}{2}$  cents per pound); and for cellophane paper strips, with or without adornments, 1·00 quetzal per kilo (50 cents per pound).

## Argentina

### NEW EXCHANGE REGULATIONS

With reference to the article in *Commercial Intelligence Journal* No. 1931 (February 1, 1941) page 133, Mr. J. A. Strong, Canadian Trade Commissioner in Buenos Aires, cables under date of February 27 that under new Argentine exchange regulations now in force permits are freely available for the importation from Canada of wood pulp, calcium carbide, battery parts, seed potatoes, newsprint and certain other essential products. To provide exchange for payment for certain other specified commodities, including agricultural implements, wrapping paper and asbestos, fixed amounts of United States dollars will be sold by auction semi-weekly to the highest bidding importers from Canada and the United States.

## EXCHANGE CONDITIONS IN VENEZUELA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, February 19, 1941.—As sales of petroleum, Venezuela's principal source of revenue, and coffee declined in 1940 as compared with 1939, towards the end of 1940 the country experienced a serious shortage of foreign exchange which necessitated the application of strict measures to control imports.

On October 25, 1940, by Presidential Decree, it became necessary to obtain an import licence for all imports for which the importer wished foreign exchange with which to pay for the merchandise, and 43 per cent of the total exchange was set aside to meet the obligations of the importers to whom import licences had been issued. Forty per cent of the total exchange was set aside to pay for imports which had already arrived in the country but for which payment had not been made, and it was hoped that this would be sufficient to pay off all indebtedness by the end of 1940.

Unfortunately, however, the desired results did not materialize, and by Presidential Decree dated January 31, 1941, published in the *Official Gazette* of that date, the Importation and Exchange Control Decree of October 25, 1940, was modified as follows:—

The service and amortization of the foreign exchange credits obtained by the Banco Central de Venezuela shall have first call on the foreign exchange received by that bank.

After such service and amortization have been cared for, the remaining foreign exchange shall be distributed as follows:—

- (a) 15 per cent to cover importations by, and foreign obligations of, Federal and State Governments and dependencies.
- (b) Up to 15 per cent to cover, in strict chronological order, the payment of obligations not yet due for merchandise imported before October 25, 1940, or for goods ordered before that date, regarding which the formalities prescribed in article 4 of the Decree of October 25, 1940, have been completed.



- (c) 63 per cent plus any excess of (b), to cover future importations, insurance, freight, interest or dividends on foreign capital invested in Venezuela and other requirements of international commerce, when such are deemed of value to the national economy by the Importation Control Commission.
- (d) 7 per cent to cover the maintenance expenses of Venezuelan students abroad and of Venezuelans and of foreigners resident in Venezuela who have to leave or return to Venezuela or to live abroad; each case will be studied individually by the Banco Central de Venezuela.

Once the credits obtained by the Banco Central have been fully paid off, that bank may set aside 5 per cent of the exchange it receives to form an Exchange Stabilization Fund, any remaining exchange to be applied in accordance with section (c) above.

The exchange forthcoming from the credits obtained by the Banco Central will be distributed by that bank with a surcharge equal to the interest and expenses caused by such credits.

The Banco Central may authorize the Importation Control Commission to issue for specific periods importation licences for amounts in excess of the exchange estimated to be available for such periods. (This is in order to avoid the freezing of exchange in the banks pending presentation of licences for cover.)

As stated above, it was hoped that by imposing strict control measures over imports that there would be an accumulation of foreign exchange sufficient to cover outstanding indebtedness. When it was finally apparent that this would not be the case, the Government, on behalf of the Banco Central de Venezuela, obtained a loan from the National City Bank of New York.

With the moneys obtained by means of this loan the Government authorized the banks to collect drafts which matured after September 30, 1940, covering importations up to December 31, 1940, and it is expected that in the very near future they will authorize collections up to January 31, 1941.

Official exchange has been available for some considerable time at the rate of 3·19 bolivares to the United States dollar. However, in order to cover expenses incurred in connection with the loan obtained from the National City Bank, it was decreed that payment for goods imported between September 30, 1940, and December 31, 1940, and for which foreign exchange was desired by importers, should be sold at the rate of 3·23 bolivares to the United States dollar, an increase of four points.

With regard to amounts still owing for importations up to September 30, 1940, official exchange will be furnished at the rate of 3·19 bolivares to the United States dollar provided payment is made on or before February 28, 1941. If payment is not made by February 28, the rate will increase to 3·23 bolivares to the United States dollar.

From now on exchange will be provided at the official rate of 3·19 bolivares to the United States dollar for imports for which licences have been granted.

Technically all foreign exchange is under the control of the Government, but at present no legal steps have been taken to prevent a "street exchange" or "bolsa negra" from operating, and in practice foreign exchange can be obtained from this source at rates varying according to the amounts required from 3·90 to 4·25 bolivares to the United States dollar.

In order to obtain foreign exchange with which to pay for imports at the official rate of 3·19 bolivares to the United States dollar, as stated above, an import licence must be obtained. It has been stated by the Exchange Control Commission that permits will only be granted for merchandise considered

essential, but no definite ruling has as yet been made as to what specific items will be granted priority.

The restrictions imposed on imports by the new regulations have for the time being seriously affected business in Venezuela. Few firms have access to outside funds, and many products are sold on such a close margin that an importer cannot afford to purchase foreign exchange on the "street exchange" and pay the higher rate.

It is difficult at present to say just how long this situation will continue, but it can reasonably be expected to improve at least slightly in the near future, once the control machinery set-up begins to function smoothly and measures have been taken to eliminate the long delay between the time an application for an import permit is received and the time a decision is given by the Import Control Commission regarding the application.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 3, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 3, 1941, and for the week ending Monday, February 24, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 24	Nominal Quotations in Montreal Week ending Mar. 3	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.3227	3
Portugal . . . . .	Escudo	.0442	.0445	.0445	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2645	.2645	3½
Switzerland . . . . .	Franc	.1930	.2576	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4935	.2278	.2279	3
Jamaica . . . . .	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2620	.2564	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4383	.4353	—
South Africa . . . . .	Pound	4.8666	4.4600	4.4600	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai) . . . . .	Dollar	.....	.0616	.0608	—
Hongkong . . . . .	Dollar	.....	.2712	.2710	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666	3.5760	3.5760	3
New Zealand . . . . .	Pound	4.8666	3.5900	3.5900	2

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Fruit Oils, Cold Pressed.....	49	Mexico City, Mexico.....	Agency.
<b>Miscellaneous—</b>			
Household Enamel Paint.....	50	Cape Town, S.A.....	Purchase.
Hat-band Ribbon.....	51	Port Elizabeth, S.A.....	Purchase.



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

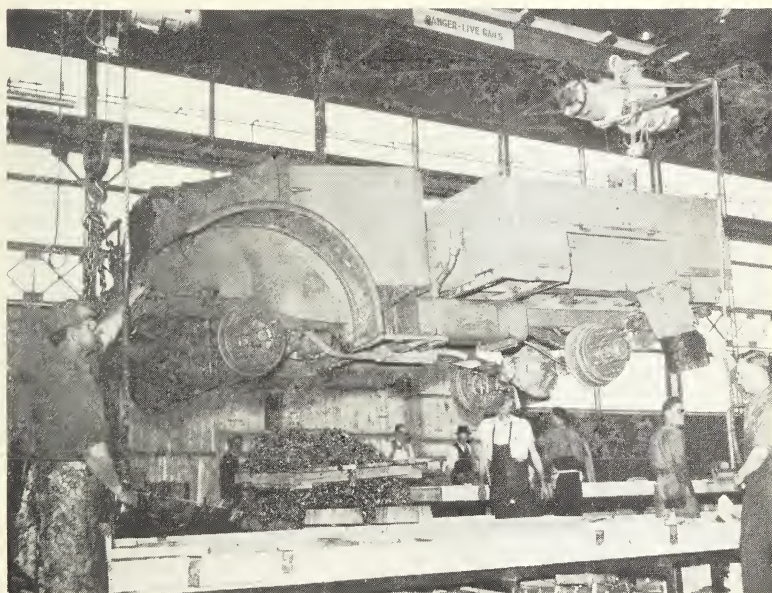
**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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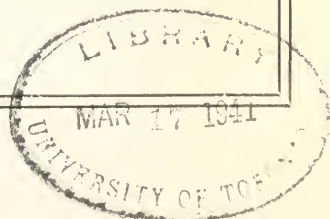
No. 1937



**First Stage in Crating Canadian-built Army Truck for Shipment  
Overseas**

*Photo—Public Information*

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER





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## OVERSEAS TRADE OF THE UNITED KINGDOM IN DECEMBER, 1940

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, February 12, 1941.—The summary of the United Kingdom trade for the calender year 1940, which has just been published, shows that total imports were valued at £1,099,868,877 and total exports at £439,273,162. Of the latter £413,084,205 represented domestic products. A comparison with 1939 is not of much value as that year included nine months of normal trading conditions. Nevertheless it is interesting to record that imports in 1940 rose in value as compared with 1939 by 24·3 per cent, while United Kingdom exports declined by 6 per cent in value.

The adverse balance of trade for 1940 on merchandise account reached the very high figure of £660,595,715, an increase of approximately £261,000,000 over 1939. Invisible exports in the shape of shipping earnings, income from foreign investments, commissions, etc., have of course to be deducted from the debit balance on merchandise account in order to arrive at the true balance of trade, but these items are not ascertainable.

With regard to the situation in the month of December, the most welcome feature was the rise of £2,730,877 (or 12½ per cent) in domestic exports to £24,397,058 from the wartime low level of the previous month of November, namely £21,666,181. Imports during December (£73,574,985) were slightly higher than those in November (£72,930,436).

### IMPORTS

Comparing imports during December, 1940, with those recorded in December, 1939, deliveries of food, drink and tobacco, which aggregated £25,040,486, were down by no less than 41 per cent, a striking reflection of the rationing and other restrictions which were imposed during the year. Among the articles in this group, grain and flour imports (£5,706,281) fell by 10 per cent. The reduction in meat (£5,818,002) and in dairy produce (£4,826,431) was as much as 44 per cent, while imports of fresh fruits and vegetables (£650,066) were only a fraction of those in December, 1939 (£2,875,045). Imports of tobacco, which suffered a drastic cut at the end of 1939, dropped still further by 36 per cent to £319,020.

Imports of raw materials in December (£18,335,812) were 21 per cent less than in the corresponding month of 1939. Raw cotton (£2,074,874) decreased by 59 per cent, paper-making materials (£594,690) by 71 per cent, and wood and timber (£2,685,409) by 15 per cent. On the other hand, imports of rubber (£2,116,889) were more than double those of December, 1939.

There was a substantial growth in imports of fully manufactured goods which were 47 per cent greater at £29,410,415. As might be expected the

categories contributing to this advance comprised in the main war equipment and materials for conversion into munitions. Landings of iron and steel manufactures (£6,140,999) were more than three times as much as in December, 1939, while non-ferrous metals and manufactures (£4,949,377) increased by 26 per cent. Machinery imports (£3,482,654) doubled in value; and receipts from abroad of vehicles, ships and aircraft amounted to £5,371,035 against £210,730.

### EXPORTS

Every effort is being made by the Government to maintain export trade in spite of the problems created by the shutting-off of numerous markets, the pre-occupation of the basic industries with war contracts, and shipping difficulties.

Exports during December, 1940, of food, drink and tobacco were valued at £1,928,643, which represented about half of the value recorded in the previous December.

Similarly, consignments abroad of raw materials (£1,231,397) declined by 70 per cent, due mainly to a heavy drop in sales of coal.

Exports of fully manufactured goods (£20,642,647) were down by 32 per cent. Cotton manufactures (£3,327,249) fell by 33 per cent, woollen manufactures (£1,741,504) by 27 per cent, and chemicals (£1,529,754) by 38 per cent. Offsetting these, an expansion of 16 per cent occurred in vehicles (including locomotives, ships and aircraft), exports of which were valued at £3,271,623.

Under present conditions United Kingdom exporters are urged to concentrate chiefly on overseas markets from which this country draws supplies of essential commodities, or from which dollar exchange is received in return. The desirability has also been emphasized of developing sales of goods which incorporated the minimum amount of imported raw materials and which do not conflict with war production.

### LABOUR PROBLEMS

The question of the supply of labour has received close attention during the past few weeks. The Prime Minister has stated that the United Kingdom is due to enter a period of man-power stringency due to the development of war-production facilities and machinery.

To meet the difficulty the Government plans to recruit labour forces from non-essential occupations to supplement the voluntary transfer of workers to war industries. It is proposed to introduce a scheme of industrial registration by age groups, by which means a list will be prepared of those who will be required to serve in wartime industrial occupations. The services of women will be needed in greatly increased numbers, since the supply of men for civil purposes is reduced by military demands.

In order to use the labour forces available to the best advantage, the Minister of Labour also proposes to make regulations governing the conduct of those industries which are important to the war effort. Within that class employers will not be able to dismiss men except on grounds of misconduct, while employees will not be allowed to leave vital work without the Government's permission. Production departments will be empowered to replace any inefficient managements. The Government will take steps to prevent systematic and organized short time. If necessary a minimum number of hours worked will be prescribed. There is also to be a drive to divert employees from non-essential industries to essential industries. It is interesting to note that the export industries are to be treated as essential and will be subject to the proposed regulations.



## DEMAND FOR TUNGSTEN ROD IN THE WEST OF ENGLAND

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, February 14, 1941.—In *Commercial Intelligence Journal* No. 1934 (February 22, 1941), page 238, a trade inquiry was published for tungsten rod suitable for the manufacture of contacts for magnetos, relays, and other electrical equipment. The following additional notes may be of interest.

Generally speaking, tungsten for electrical purposes consists either of thin circular discs brazed to brass, nickel, or steel screws or rivets for use as magneto points, relay contacts, etc.; or else of lengths of swaged and ground rod, pointed or curled according to its purpose, for use as engraving needles and electrodes in mercury arc rectifying bulbs. In the former form the swaged and ground rod is cut into thin discs, while in the latter it is cut to appropriate lengths, bent under heat, or pointed by grinding processes and mounted in suitable holders of copper, nickel or other base metal. Some manufacturers of tungsten contacts use swaged and polished rod from which to cut their discs, but in such cases it is almost essential to grind the edge of the disc after brazing to the base metal in order to ensure a circular and pleasing appearance.

## CANADIAN EXPORTS TO AUSTRALIA IN 1940

PREPARED BY INDUSTRIAL RESEARCH BRANCH, DOMINION BUREAU OF STATISTICS

Canadian exports to Australia in the calendar year 1940 had a total value of \$33,860,000 as compared with \$32,029,000, according to figures compiled by the Dominion Bureau of Statistics. Four items of Canadian export were valued at over a million dollars each: newsprint paper, automobiles, canned salmon, and cotton fabrics n.o.p.

Exports of newsprint paper to Australia at \$8,185,000 represented an increase of 28.4 per cent over the value of the preceding year, and became the largest commodity of the trade. Other paper items were: book paper, \$608,000; bond and writing paper, \$279,000; and wrapping paper, \$270,000. Also of importance in the wood, wood products and paper group were: planks and boards, principally Douglas fir, \$659,000; hemlock, \$567,000; spruce, \$147,000; squared timber, mainly Douglas fir, \$383,000; shooks of wood, \$324,000; and logs, \$413,000. Some of these items are sharply higher in value than in 1939, while others are much lower; in the aggregate the wood section of the group declined. The largest single decline was in logs, the value of which was less than one-third of the 1939 figure. The general trend of these figures corresponds with the Australian import figures, which show a rise of 40.9 per cent in imports of paper from all countries in the five months ended November, 1940, as compared with the same period in 1939, and a decline of one-half in imports of wood.

Automobiles exported from Canada to Australia aggregated \$7,600,000 in round figures, and in addition parts were valued at \$937,000. Freight automobiles predominated; among these 64.5 per cent were of over one ton capacity. Substantially all (\$2,941,000) of the passenger automobiles were valued at \$500 or less. The distribution between freight and passenger cars was in decided contrast to the previous year when passenger cars formed 70 per cent of the automobile exports, although the total value of the automobile items changed very slightly. Other leading items among iron and its products were bars of iron and steel at \$447,000 (only \$9,000 in 1939); washing machines and parts, \$327,000; needles, \$198,000; and miscellaneous machinery, \$389,000.

Canned salmon was the third largest item in Canadian exports to Australia with a value of \$1,713,000, representing a very small decline from 1939. Other items of the animals and animal products group valued at over \$100,000 each were herrings, sardines, and fox skins.

Exports of cotton fabrics to Australia increased by 8.1 per cent in quantity and by 28.2 per cent in value to reach \$1,323,000 in 1940. Other important items in the fibres, textiles and textile products group were artificial silk fabrics at \$577,000 and felt manufactures at \$172,000.

Other items of importance in Canadian exports to Australia in the calendar year 1940 were: aluminium in bars, blocks, ingots and sheets at \$387,000 (increase 163.3 per cent); asbestos milled fibres at \$478,000 (increase 11.4 per cent); dynamite at \$509,000 (nil in 1939); soda and sodium compounds at \$775,000 (increase 22.6 per cent); and films for photographers' use at \$414,000 (increase 45.4 per cent).

## SOUTH AFRICAN RAILWAY PURCHASES

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, January 4, 1941.—In South Africa transport by rail, air and to a large extent by road is the virtual monopoly of the state-owned South African Railways and Harbours. It is not surprising, therefore, in view of greatly increased industrial activity during the greater part of 1939-40, that the South African Railways attained new high records in nearly all spheres of activity during the year ending March, 1940. Revenue was the highest since the inception of the system, while the number of passenger journeys undertaken, the tonnage of revenue-earning goods traffic, the gross ton railway mileage, and the train and engine mileage run reached record figures. Only in the air services, which were greatly curtailed as a result of the war, was there a decline.

Following are statistics of primary importance covering operations during the period:—

	1940	1939	1937
Total expenditure on capital account (open lines) . . . £	167,756,895	162,966,873	153,807,469
Average route mileage of open lines . . . . . Mile	13,287	13,272	13,260
Train mileage . . . . . Mile	62,307,697	59,829,326	54,766,261
Passengers carried (journeys) . . . . . No.	120,282,087	113,703,459	96,496,033
Gross tonnage revenue-earning traffic . . . . . Ton	32,259,083	29,477,710	27,074,187
Total freight ton mileage . . . . . Ton miles	9,478,653,962	8,538,458,912	7,476,422,392
Total earnings . . . . . £	33,797,661	32,600,141	31,892,791
Total expenditure (excluding depreciation) . . . . . £	22,625,324	22,070,293	18,501,060
Gross working expenditure . . . . . £	25,014,956	24,336,685	20,593,860
Surplus of earnings over gross expenditure . . . . . £	8,782,705	8,263,456	11,298,931
Ratio of expenditure to earnings . . . . . Per cent	74.01	74.65	64.57

The South African Railways are large purchasers of materials, the value of stores on hand at the end of the year totalling £4,581,000. Supplies received into stock during the year 1939-40 were valued at £10,497,734, of which £9,868,825 represented purchases made within South Africa and £628,909 purchases through the South African High Commissioner in London.

Purchases made in South Africa are not necessarily of goods produced within the Union. On the contrary they represent orders placed with resident agents of both local and overseas manufacturers. According to the policy of the Railway Stores Department, overseas manufacturers must be suitably represented within South Africa before contracts will be awarded to them. This rule is strictly adhered to except in certain instances where contracts are placed through the Union's High Commissioner in London. Consequently, although purchases of stores received during the year ending March, 1940, under South African contracts were valued at nearly £10,000,000, a great deal of this material was in fact imported from overseas.

Following is a summary of some of the South African contracts entered into during the financial year 1939-40 for goods of particular interest to Canadian manufacturers:—

Aircraft and spares . . . . .	£526,214
Augers . . . . .	1,003
Axleboxes . . . . .	17,242
Blankets, towels and sheets . . . . .	9,270
Boilers, locomotive . . . . .	216,942
Boiler tubes and superheating elements . . . . .	165,878
Bolts and nuts, rivets, cotters and pins . . . . .	39,456
Bridgework . . . . .	60,941
Canvas . . . . .	89,140
Carriage fittings . . . . .	21,054
Couplers, automatic . . . . .	112,054
Cranes . . . . .	93,413
Electric locomotive and motor coach equipment . . . . .	50,064
Electrification and electrical material . . . . .	107,702
Engine spares . . . . .	50,860
Grinding wheels . . . . .	5,011

Handles, pick. . . . .	£ 1,284
Iron and steel, m.s. plates . . . . .	265,464
Linoleum . . . . .	5,352
Machinery . . . . .	225,586
Nuts, buffer . . . . .	6,288
Piping, galvanized and steel . . . . .	4,353
Pumps, semi-rotary . . . . .	1,010
Roofing felt . . . . .	1,976
Screws . . . . .	4,410
Shovels, picks and ballast forks . . . . .	7,652
Spring steel . . . . .	47,166
Stay taps and reamers . . . . .	1,605
Stoves and fittings . . . . .	9,615
Structural steel works . . . . .	87,053
Timber and joinery . . . . .	195,167
Vacuum brake gear . . . . .	20,956
Waste, cotton and woollen . . . . .	27,228
Wagons and guards' vans and underframes . . . . .	194,686
Wheels, axles and tires . . . . .	245,029

In addition to local contracts, orders for permanent-way material to the value of £865,844 were placed through the South African High Commissioner in London. The countries of origin of this material were as follows: Great Britain, £523,785; Canada, £282,867; Belgium, £58,983; France, £209.

Details of these purchases are shown in the following table:—

	Long Tons	£
Rails . . . . .	66,000	601,918
	Pair	
Fish plates . . . . .	201,000	67,201
	No.	
Fish bolts and nuts . . . . .	1,300,000	19,788
Keys for cast iron chairs . . . . .	500,000	5,294
Check rail chairs . . . . .	102,000	45,779
Buttresses . . . . .	100,000	11,415
Bolts and nuts for steel sleepers . . . . .	3,740,000	39,361
Bolts, heel and crossing . . . . .	40,350	789
Evertite lock nuts . . . . .	470,000	2,086
Coach screws . . . . .	710,000	9,201
Clips for steel sleepers . . . . .	4,448,000	32,076
Crossings . . . . .	600	9,150
	Pair	
Stock and check rails . . . . .	450	6,336
Stock and switch rails . . . . .	600	15,450

Timber purchases from merchants in the Union amounted to £271,697 for the year. Of the softwoods purchased, the following were the principal quantities:—

	Lineal Feet	Cubic Feet
Baltic deals and scantlings . . . . .	5,084,501	69,419
Oregon . . . . .	378,668	24,743
Baltic ceiling . . . . .	1,247,295	
Baltic flooring . . . . .	4,313,142	183,469
	Super. Feet	Square Feet
Clear pine . . . . .	133,143	19,328
Shelving pine . . . . .	109,821	
Pitch pine . . . . .		
Douglas fir . . . . .		
Douglas fir . . . . .		
Plywoods . . . . .		

## UNITED STATES LUMBER MARKET

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, February 28, 1941.—The lumber industry in the United States during 1940 benefited to a great extent from the national defence program. Although the industry had shown a general improvement during the first six months over the previous year, with the inauguration of the defence program in the middle of the year the demand for lumber advanced considerably and there was a rush of new orders in increasing volume. For the year as a whole, production was close to 27,000,000,000 feet, imports totalled 700,000,000 feet, and consumption was 29,000,000,000 feet, the largest since 1929, making a reduction of 1,300,000,000 feet in the stocks of mills, wholesalers and retailers.



The increase in the demand for lumber by the wood-using industries was accompanied by a substantial rise in prices. While there was a small gain in lumber imports over the previous year, lumber exports registered a decline during 1940.

### PRODUCTION

According to a recent report of the United States Lumber Survey Committee to the Department of Commerce, domestic lumber production was approximately 27,000,000,000 feet or 8 per cent over the census total of 25,000,000,000 feet in 1939. Lumber shipments were approximately 28,300,000,000 feet or 5 per cent above production and 10 per cent over the 1939 shipments.

### DOMESTIC STOCKS

While lumber stocks have been declining during the past few years, a further decline was registered in 1940 due principally to the large demand for lumber under the national defence program. National lumber mill stocks at the close of 1940 were 1,081,000,000 feet below those of 1939.

Mill stocks of lumber on December 31, 1940, amounted to 6,552,000,000 feet, a decrease of 14.2 per cent from the stocks of 7,633,000,000 feet on December 31, 1939. Total softwood mill stocks were 5,065,000,000 feet, a decrease of 13.1 per cent from the previous year's mill stocks of 5,826,000,000 feet. Hardwood mill stocks at the close of 1940 amounted to 1,487,000,000 feet as compared with 1,807,000,000 feet at the end of 1939, a decrease of 17.7 per cent. All the softwood regions, with the exception of the Appalachian region, and all hardwood regions reported decreases in mill stocks ranging from 5.8 per cent to 26.3 per cent. While stocks are considered adequate, depletion has been particularly heavy in selected grades and sizes, making the situation difficult at certain times.

### PRICES

The United States Bureau of Labor Statistics reports that the lumber wholesale price index (1926 equals 100) in December, 1940, stood at 119.3 as compared with 97.8 in December, 1939.

The mill price of southern pine, average grades and dimensions, reported by the Southern Pine Lumber Exchange, was \$34.80 in December, 1940, and \$35.55 in November as compared with the 1939 yearly average of \$26.19. The average realization on southern pine defence items in December was \$30.83. The average West Coast lumber price received on shipments in December, 1940, all markets, was \$25.58 as against \$26.06 in November. The December 1939 average price was \$21.29.

According to the southern hardwood producers, the southern hardwood price index in December, 1940, was \$33.43 as compared with \$33.38 in November and \$29.12 in December, 1939.

Advancing prices have had some effect on supplies, bringing hundreds of small mills into operation in both the softwood and hardwood regions. The quantity currently produced by such mills cannot be estimated and as yet their influence on price has been negligible, although it is expected to increase during the year.

### LUMBER CONSUMPTION

United States lumber consumption, including exports, for 1940 was estimated at 29,045,000,000 feet as compared with 26,427,000,000 feet in 1939, a gain of 10 per cent. The principal consumers during the past year were the building industry, including private and government contracts, railroad, automobile, furniture, and the box and crate industries.

## BUILDING INDUSTRY

The principal factor supporting the lumber industry during 1940 was the building industry, especially in the construction of residential building and in the demands arising out of the defence program for new plants and expansion of existing factories as well as for cantonment. According to the F. W. Dodge Corporation, floor space contracted for in residential building in the 37 eastern states was 26 per cent over 1939. Total construction valuation for the 37 eastern states in 1940 was placed at \$4,004,000,000 or 13 per cent over 1939.

The Bureau of Labor Statistics reports of building permits in 2,000 cities of the country show a total construction value of \$2,531,200,000, an increase of 22.5 per cent over 1939. In the last quarter of 1940 among the largest projects were listed \$30,000,000 for cantonment and replacement centres, \$67,000,000 for shipbuilding facilities, \$21,600,000 for navy and other ordnance, and \$22,300,000 for steel-mill expansion.

## EXPORTS

United States lumber exports for 1940 were below those of the previous year due to the loss of markets resulting from the European war, hostilities in the Far East, exchange difficulties in the Latin-American countries, and increasing shortage of steamer space. Exports for 1940 totalled 853,000,000 feet, a decrease of 197,000,000 feet or 19 per cent from the 1939 total. Shipments to nearly all parts of the world with the exception of Canada and Central America, including Mexico and the West Indies, recorded declines from the previous year.

The following table shows the United States exports of boards and sawn timber for 1940 as compared with 1939:—

	1940 Feet	1939 Feet
Total . . . . .	852,760,000	1,050,093,000
United Kingdom . . . . .	218,806,000	288,245,000
Europe . . . . .	29,657,000	113,516,000
Central America* . . . . .	180,720,000	169,705,000
South America . . . . .	140,429,000	184,017,000
Orient . . . . .	129,245,000	136,535,000
Australasia . . . . .	13,237,000	21,996,000
Canada . . . . .	95,779,000	76,988,000

\* Includes the West Indies and Mexico.

Softwood lumber exports amounting to 703,559,000 feet, a decline of 12.1 per cent from the 1939 total of 801,157,000 feet, accounted for 82.5 per cent of the total exports. Hardwood lumber exports totalled 149,201,000 feet and were 40 per cent below the 1939 total of 248,936,000 feet.

## IMPORTS

Total imports of lumber into the United States in 1940 amounted to 724,257,000 feet as compared with 707,172,000 feet in 1939, an increase of 2.4 per cent.

Hardwood lumber imports totalled 117,073,000 feet as against 101,631,000 feet in the previous year, a gain of 14.7 per cent.

## SOFTWOODS

During the past year imports of softwood lumber amounted to 607,184,000 feet as compared with 605,541,000 feet in 1939, a gain of 0.16 per cent. Canada was the principal source of supply, furnishing about 99 per cent of the total imports.

Receipts of softwood lumber from Canada amounted to 599,156,000 feet as compared with 595,839,000 feet in the previous year, a gain of 0.5 per cent. The imports from Canada consisted of 122,488,000 feet of fir and hemlock,

120,371,000 feet of pine, 294,929,000 feet of spruce, and 61,275,000 feet of cedar. The corresponding imports from Canada in 1939 were 163,353,000 feet of fir and hemlock, 103,598,000 feet of pine, 285,729,000 feet of spruce, and 43,055,000 feet of cedar. Shipments of fir and hemlock were the only softwoods to record a decline in the imports from Canada.

Imports of softwoods from countries other than Canada amounted to only 8,028,000 feet in 1940 as compared with 9,702,000 feet in the previous year.

### FUTURE TRENDS

As a result of the general increase in business and industrial activity, greatly stimulated by the national defence program, the prospects for a gain in the use of lumber in 1941 over the past year appear to be very good, except for the export markets which have been seriously handicapped by war conditions. During the past year nearly all the wood-using industries increased their demands for lumber over 1939, and it is anticipated that these industries, led by the building and construction industry, furniture, automobile, railway, box and crate, and maple and oak flooring industries, will further increase their demands for lumber in 1941. In all probability United States lumber consumption for 1941 will be approximately 30,000,000,000 feet and will again exceed production, resulting in a further decrease in stocks and thus increasing the demand for imports of softwood lumber from Canada.

## MEXICAN MARKET FOR FOODSTUFFS

### A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, February 22, 1941.—The principal characteristics of the Mexican market for foodstuffs are: first, the wide variety of the imports; secondly, the fluctuating nature of the demands for imported products (this is particularly noteworthy, for example, in the case of cereals); and, thirdly, very few food products imported into Mexico make up large individual items. It should also be noted that the general trend in recent years is for imports of alimentary products to show a marked decrease in the percentage of total imports into Mexico. For example, while in 1929 the importation of foodstuffs represented 13.31 per cent of the total imports, ten years later such imports represented only 5.89 per cent.

The main reason for this decrease in the importation into Mexico of foodstuffs is that increased local production has replaced importation in many items. For example, the national production of eggs and the condensed and evaporated milk trades have been so augmented of late that they are able to meet a larger proportion of Mexican needs, with the resultant decrease in imports of these lines. Another striking example is the important trade in lard. Imports of lard in 1929 from the United States were valued at 16.5 million pesos, but in 1939 the value of this trade had decreased to only 2.9 million pesos.

For years, the United States has furnished the bulk of Mexican food imports. At times the proportion of American foodstuff imports has been over 90 per cent of the total Mexican imports in that classification. Due to the proximity of the United States, excellent communications and well established trade connections, that country has enjoyed this predominant share in the Mexican market. Further, it should be borne in mind that the United States has always had exportable surpluses of those qualities of food products required by Mexico. Again, a large percentage of the foreigners living in Mexico are from the United States, and this creates a ready demand for preserves and brands from that country. Indeed the more modern Mexican is turning from Spanish to American cuisine. All these factors enable United States shippers to find a ready market in Mexico for American foodstuffs.



Canada, on the other hand, has the disadvantage of being blanketed off from Mexico by the United States, and the additional expense of transportation, together with lack of direct routing, has militated against the importation into Mexico of Canadian foodstuffs. Further, the local Canadian colony in Mexico is not as large or important as the American colony. Undoubtedly a direct shipping line to Mexico would enable Canadian foodstuffs to enter the Mexican market in larger quantities. Until such a line is established, Canadian shippers of food supplies will be handicapped in this market. At the moment, however, owing to the exchange situation, the discount on the Canadian dollar has enabled some Canadian exporters of hams, biscuits, macaroni, canned fish, etc., to investigate this market, in some cases with successful results. This situation has been further aided by the cutting-off of food supplies from Europe, which in normal times furnished fair quantities of canned goods, biscuits, tea, etc., to Mexico.

### BEANS

Mexico imports small quantities of kidney beans (frijoles) from Japan and Brazil, but this is a striking example of the fluctuating nature of the Mexican food market. When local crops are good, it is not necessary to import beans into Mexico. The local consumption is large, as beans are consumed daily, sometimes three times a day, by Mexicans. Imports of beans into Mexico by principal sources of supply for the years 1935 to 1939 are shown in the following table:—

#### *Mexican Imports of Beans*

	1935	1936	1937	1938	1939
	Kilos	Kilos	Kilos	Kilos	Kilos
Total . . . . .	160,155	44,269	24,143	311,423	3,688,984
United States . . . . .	147,743	27,031	18,942	307,365	486,214
China . . . . .	3,026	3,993	4,303	3,116	3,095
Japan . . . . .	791	3,960	389	151	1,705,648
Spain . . . . .	8,214	8,701	198	592	.....
Brazil . . . . .	.....	.....	.....	.....	1,491,667
Others . . . . .	381	584	311	199	2,360

### CANNED GOODS

Owing to the insipidity of tropical fish, the largest demand in Mexico for canned goods is, of course, for canned fish. So far as canned meat is concerned, the meats in demand are hams, patés, and sausages. In canned vegetables the principal imports are tomatoes, asparagus, mushrooms, sauces, etc. Details of imports of each of these from principal supplying countries are given below. Canned foods as a group make up the fourth largest item in the food import trade from the United States. The market is not a large one, because it is a luxury market. The peons, forming the bulk of the population, cannot afford to purchase canned goods. Further the high import duty on canned goods raises the prices of most items to such a point that they are beyond the means of the average middle-class Mexican. The market is, therefore, restricted to about half a million consumers.

### CANNED FISH

The demand for canned fish in Mexico is particularly strong during the Lenten season. Canned sardines dominate the trade. There would be a brisk demand for Canadian sardines, if supplies were available. From time to time Canadian sardines have been shipped to Mexico.

Imports of canned salmon into Mexico from Canada have ceased for the following reasons: first, Japanese competition lowers prices; secondly, the cheaper types of canned salmon are purchased from United States canners with headquarters in San Francisco; and, thirdly, high transportation costs from Canada to Mexico, as against those from San Francisco with direct shipping line, prevent the successful importation of Canadian canned salmon.

Importation of all types of canned fish into Mexico in 1939 totalled 1,360,138 kilos as against 1,436,795 kilos in 1938, 1,188,157 kilos in 1937, 958,097 kilos in 1936, and 1,263,198 kilos in 1935.

#### CANNED FRUITS

The smallest demand in canned comestibles is probably for canned fruits, as Mexico produces a number of special fruits of her own as well as the ordinary fresh fruits of the Northern Hemisphere. Undoubtedly if Mexican agriculture ever becomes really organized, local canning of fruits and vegetables could be carried on in parts of Mexico just as well as in California. To produce such a situation, however, growers would have to modernize their methods of cultivation, and field labourers would have to be trained and a spirit of goodwill and mutual interest created among them. Further, only confidence in the future of the country will bring the necessary capital. Until then Mexico will continue to import the bulk of its canned fruit from its more prosperous neighbour, California.

Imports of canned fruits of all types into Mexico in 1939 totalled 538,767 kilos as compared with 413,516 kilos in 1938, 560,496 kilos in 1937, 504,821 kilos in 1936 and 694,196 kilos in 1935.

#### CANNED VEGETABLES

There is a secondary market for canned vegetables in Mexico. In fact, the imports of canned vegetables are sometimes larger than those of canned fruits. In 1935 the quantity of canned vegetables imported was 760,967 kilos as against 694,196 kilos of canned fruits. In 1939 the situation was reversed, and the imports of canned vegetables amounted to 503,568 kilos as against 538,767 kilos of canned fruits. The import trade in both these lines is slowly decreasing. Undoubtedly, Mexico should produce all the vegetables it requires, but production is just the factor that Mexico lacks.

The following table shows the quantities of canned vegetables imported in the year 1939 and during the first six months of 1940, from the principal countries of supply:—

#### *Mexican Imports of Canned Vegetables*

	1939 Kilos	Jan.-June, 1940 Kilos
Total . . . . .	214,734	68,099
Germany . . . . .	357	....
Canada . . . . .	6	3
China . . . . .	8,063	3,234
Spain . . . . .	11,183	4,154
United States . . . . .	186,145	55,255
France . . . . .	1,733	683
Great Britain . . . . .	480	4
Greece . . . . .	102	....
Hungary . . . . .	24	2
Italy . . . . .	1,458	1,442
Japan . . . . .	4,800	97
Portugal . . . . .	13	2,837
Switzerland . . . . .	306	382

The bulk of the trade is in the hands of well-known United States canners. Spain, however, will regain a considerable amount of its old canned vegetable trade as soon as transportation facilities become normal, because the Spanish packing appeals to the Mexican palate. A high import duty limits the local market for imports; but, particularly in areas where foreigners are located, canned vegetables, on account of American cooking methods, are favoured. The principal imports are asparagus, peas, and tomatoes.

*Asparagus*.—As shown in the table below, practically all the canned asparagus imported into Mexico comes from the United States. Its consumption

is limited to restaurants, hotels, and foreigners. Imports in 1939 and the first six months of 1940 from principal sources of supply were as follows:—

*Mexican Imports of Canned Asparagus*

	1939	Jan.-June, 1940
	Kilos	Kilos
Total .. . . .	108,570	42,430
Germany .. . . .	40	....
United States .. . . .	108,438	42,272
Great Britain .. . . .	....	158
Japan .. . . .	92	....

*Mushrooms.*—The following table shows Mexican imports of canned mushrooms from chief supplying countries:—

*Mexican Imports of Canned Mushrooms*

	1939	Jan.-June, 1940
	Kilos	Kilos
Total .. . . .	11,892	8,036
China .. . . .	490	299
United States .. . . .	618	206
Finland .. . . .	22	....
France .. . . .	11,637	5,755
Italy .. . . .	15	77
Japan .. . . .	91	1,699
Poland .. . . .	19	....

It should be noted that France is the principal supplier of mushrooms to Mexico, as the so-called "Parisian" mushrooms are much favoured here. In view of the situation in Europe, there would appear to be an opportunity for Canada to obtain some of this trade, provided exporters have supplies available.

*Mustard Sauce.*—The following table shows imports of mustard sauce into Mexico from principal countries of supply:—

*Mexican Imports of Mustard Sauce*

	1939	Jan.-June, 1940
	Kilos	Kilos
Total .. . . .	38,416	6,701
Germany .. . . .	721	....
United States .. . . .	36,472	6,419
France .. . . .	1,190	282
Great Britain .. . . .	21	....
Italy .. . . .	12	....

*Tomatoes.*—Imports of canned tomatoes into Mexico are largely from the United States and Italy, as the table below shows; the Neapolitan plum tomato is preferred to other kinds in Mexico.

*Mexican Imports of Canned Tomatoes*

	1939	Jan.-June, 1940
	Kilos	Kilos
Total .. . . .	7,943	5,610
United States .. . . .	4,779	1,414
British Honduras .. . . .	850	....
Italy .. . . .	1,431	4,196

*Tomato Sauce.*—Imports of tomato sauce into Mexico from principal countries are as shown in the following table:—

*Mexican Imports of Tomato Sauce*

	1939	Jan.-June, 1940
	Kilos	Kilos
Total .. . . .	50,988	22,810
United States .. . . .	49,503	20,039
Italy .. . . .	1,485	2,769



*Other Vegetable Sauces.*—Imports of various other vegetable sauces into Mexico are shown in the table below:—

*Mexican Imports of Other Vegetable Sauces*

	1939	Jan.-June, 1940
	Kilos	Kilos
Total . . . . .	54,847	18,866
Germany . . . . .	347	....
China . . . . .	33,064	11,504
United States . . . . .	7,809	3,140
Japan . . . . .	7,473	1,417
Great Britain . . . . .	6,153	2,805

CHEESE

There are no large creameries or cheese factories in Mexico, although a certain amount of butter and white cheese is produced on a small scale in all parts of the country. The best locally produced variety is a white cream cheese from Toluca and Oaxaca. As the quality of the domestic product varies considerably and is for the most part of an inferior type, there is a good market for imported cheese. Canada is not participating at present. The following table shows imports of cheese into Mexico during the year 1939 and the first half of 1940 from chief sources of supply:—

*Mexican Imports of Cheese*

	1939	Jan.-June, 1940
	Kilos	Kilos
Total . . . . .	399,817	165,154
Germany . . . . .	3,534	....
Belgium . . . . .	119	....
Bulgaria . . . . .	36	....
Denmark . . . . .	6,783	3,240
Spain . . . . .	2,440	....
United States . . . . .	55,154	35,097
Finland . . . . .	65,358	10,355
France . . . . .	4,030	2,731
Greece . . . . .	2,679	....
Great Britain . . . . .	250	....
British Honduras . . . . .	342	6
Japan . . . . .	720	....
Italy . . . . .	8,936	8,336
Netherlands . . . . .	239,422	74,622
Lesser British Antilles . . . . .	....	1,627
Portugal . . . . .	3,572	26,032
Switzerland . . . . .	6,379	3,085

As shown in the foregoing table the bulk of the imports of cheese was from the Netherlands. In fact, a similar cheese to the well-known Dutch brands, such as Gouda, would sell well at the present time, owing to the Mexican market being practically bare of supplies. Imports from the Netherlands were followed in order of importance by those from Finland and the United States. Italy also supplied Mexico with well-known qualities, such as Gorgonzola, and obtained a good share of the market, while Swiss Gruyere was handled in the more expensive restaurants. Sales of Italian Gorgonzola and other well known brands were substantial owing to the fact that a large number of the delicatessen stores in Mexico are in the hands of Italians, while a considerable number of the restaurants are also under their control.

Cheese imports have increased greatly in recent years. One reason for this is the increased tourist trade; another is the greater number of wealthy Mexicans being educated in the United States. The majority of the native population, however, does not consume foreign cheese, but generally use cheese of the particular type produced in their locality. White cream cheeses are, however, consumed

by all classes. Local cheese production will probably increase, owing to the outstanding need for the Mexican Government to develop a sound agricultural production in this country.

#### CODFISH

A number of detailed reports have been issued on the codfish market in Mexico, the latest being published in *Commercial Intelligence Journal* No. 1897 (June 4, 1940), page 915. The quantity of codfish imported annually into Mexico amounts to 400 metric tons. In pre-war times the bulk of the imports were from Norway, and the Norwegian cure is preferred in this market, that is, dry and well cured. Fish is imported either boneless, or with bones. The boneless type is cut in rectangular pieces, and is of a slightly drier quality than the other. The boned fish is imported in boxes of 19 kilos net, or 23 kilos gross; the cod with bones is shipped to Mexico in unlined boxes of 45 kilos net, or 53 kilos gross.

Norway shipped 270,174 kilos in 1935; 302,873 kilos in 1936; 242,313 kilos in 1937; 326,801 kilos in 1938; and 377,431 kilos in 1939. In pre-war days Norway operated a direct line of steamers to Mexico, and this assisted her codfish as well as her cellulose trade. There is now no direct shipping service with Norway, consequently Canada is afforded a favourable opportunity in this market. Consumers of codfish are chiefly centred in the capital, and they are nearly all foreigners, including many Spanish refugees.

Cures suitable for the Cuban market are not wanted in Mexico. Before shipping to Mexico, a study of the cures desired in this country is recommended to exporters.

#### FATS AND OILS

##### ANIMAL FATS AND GREASES

The principal animal fats and oils used in Mexico are natural lard, tallow, lard compounds, oleo, lard stearine, grease stearine, and oleo oil. The leading item of this category imported is lard, which comes exclusively from the United States. So great were these imports of lard in the past that the commercial policy of the Mexican Government was directed towards reducing the consumption of lard, and the use of vegetable instead of animal fats. The lower class of the population of Mexico has now accustomed itself to the use of vegetable instead of animal fats. The unsanitary conditions under which pigs are raised in Mexico has undoubtedly been a factor in stimulating the importation of animal fats. Local supplies of lard also have always been inadequate, since in the Mexican system of cooking lard is used liberally. The United States has had little competition in supplying the Mexican market with lard and other animal fats.

*Lard.*—The following table shows imports of lard and lard compounds in 1939 and the first nine months of 1940:—

<i>Mexican Imports of Lard</i>		
	1939 Kilos	Jan.-Oct., 1940 Kilos
Lard shipped in tank cars and ocean tankers—		
Total . . . . .	2,601,540	6,092,180
United States . . . . .	2,601,154	6,064,980
Canada . . . . .	.....	27,200
Lard shipped in other types of containers—		
Total . . . . .	1,440,106	1,099,247
United States . . . . .	1,435,471	1,094,963
British Honduras . . . . .	4,626	4,284
Lard compounds—		
Total . . . . .	5,660	3,559
Germany . . . . .	120	.....
United States . . . . .	5,508	3,559
British Honduras . . . . .	32	.....

## VEGETABLE OILS AND FATS

The vegetable oils and fats imported into Mexico are olive oil, coconut oil, linseed oil and vegetable soap stock. With the exception of linseed oil, which is used in the paint industry, the greater part of vegetable oils imported into Mexico is used in the soap industry. Only a small part is used in butter and lard.

*Edible Vegetable Fats.*—The following table shows the imports of edible vegetable fats, other than olive oil, in 1939 and the first half of 1940:—

*Mexican Imports of Edible Vegetable Fats*

	1939 Kilos	Jan.-June, 1940 Kilos
Total . . . . .	137,751	32,172
Germany . . . . .	4,983	....
Denmark . . . . .	14,876	....
United States . . . . .	115,665	32,172
France . . . . .	248	....
Great Britain . . . . .	570	....
Netherlands . . . . .	525	....
Sweden . . . . .	884	....

*Olive Oil.*—It seems strange that one of the principal imports into Mexico is olive oil. In view of the wide range of climates in this country, the smallness of local production is striking; it is indicative of the lack of organized production in the agricultural industry in Mexico. Before the civil war in Spain, Spanish olive oil predominated in the Mexican market. Owing to the civil war, however, Portugal, the United States, and Italy were able to increase their exports of olive oil to Mexico. The following table shows the imports in the years 1935 to 1939:—

*Mexican Imports of Olive Oil*

	1935 Kilos	1936 Kilos	1937 Kilos	1938 Kilos	1939 Kilos
Total . . . . .	1,366,569	1,166,299	1,288,978	1,224,687	1,390,960
Spain . . . . .	1,309,374	889,247	110,328	245,237	518,848
United States . . . . .	24,961	237,413	493,358	385,207	309,890
France . . . . .	25,704	31,798	332,035	245,647	135,835
Greece . . . . .	670	.....	40,605	22,135	12,066
Germany . . . . .	2,212	6,142	2,561	90	1,454
Portugal . . . . .	.....	.....	75,389	192,611	369,907
Algiers and Tunisia . . . . .	.....	1	18,260	39,062	4,930
Cuba . . . . .	.....	.....	100,404	8	5
Other countries . . . . .	687	1,432	5,461	16,306	13,805

During the first six months of 1940 imports of olive oil amounted to 194,639 kilos. This total was made up as follows:—

*Olive Oil in Tank Cars from the United States*, 110,186 kilos.

*Olive Oil in Containers of Wood or Tin.*—Total, 84,235 kilos; Spain, 64,944; United States, 1,248; France, 2,912; Italy, 6,127; Palestine, 90; Portugal, 8,914 kilos.

*Olive Oil in Glass Containers.*—Total, 218 kilos; Cuba, 5; United States, 13; Portugal, 200 kilos.

## MAIZE

Imports of maize in 1939 were valued at some eight million pesos. The quantity amounted to 53,898,814 kilos. These large imports in 1939 were due to poor crops in Mexico the previous year. The bulk of the imports was supplied by the United States, followed by South Africa. This situation is unusual; in some years, when domestic crops are good, the value of maize imports goes down to two thousand pesos. These figures afford another striking example of the fluctuating demands for imported products, mentioned earlier as among the characteristics of the Mexican market for foodstuffs. As Canada is not interested in this commodity, details of importations are not given.



**PRESERVED MEATS**

The importation of preserved meat is smaller than that of canned fish. The United States is the predominant supplier in spite of Argentina's efforts to increase sales in Mexico. The imports include bacon, hams, beef and other preserved meats.

**BACON**

The table following shows the amount of bacon imported into Mexico in 1939 and the first half of 1940. Although some of the foreign population of Mexico is of British origin, British-cured bacon seems to have disappeared from the Mexican market owing to the war. The trade is to-day completely dominated by United States suppliers.

*Mexican Imports of Bacon*

	1939	Jan.-June
	Kilos	1940
		Kilos
Total . . . . .	28,331	31,577
United States . . . . .	28,192	31,565
Great Britain . . . . .	15	....
Hungary . . . . .	25	....
Italy . . . . .	73	....
Norway . . . . .	19	12
Germany . . . . .	7	....

**HAMS**

The trade in preserved meats, and of hams in particular, is principally controlled by those foreign firms shipping lard to Mexico. Imports of hams are considerable, as shown by the following figures for 1939 and the first half of 1940:—

*Mexican Imports of Hams*

	1939	Jan.-June,
	Kilos	1940
		Kilos
Total . . . . .	136,641	65,198
Germany . . . . .	96	730
Argentina . . . . .	7,085	2,865
Czecho-Slovakia . . . . .	429	....
Chile . . . . .	2,340	....
Denmark . . . . .	16,391	3,289
United States . . . . .	44,525	24,426
France . . . . .	395	....
Italy . . . . .	....	114
Netherlands . . . . .	55,057	31,239
Poland . . . . .	9,436	....
Portugal . . . . .	664	2,521
Sweden . . . . .	171	....
Other countries . . . . .	52	14

The principal supplies of hams formerly came from Holland, and present conditions may give Canada a favourable opportunity to make progress in this market. The United States has always been the second supplier, followed by Denmark and Poland, which are both now out of the market. Locally cured ham is of a very inferior quality and all consumers who can afford to buy it prefer the imported ham.

**SALTED OR SMOKED MEATS**

The trade in salted or smoked meats is small and is practically in the hands of the United States. The following table gives the figures:—

*Mexican Imports of Salted or Smoked Meats*

	1939	Jan.-June,
	Kilos	1940
		Kilos
Total . . . . .	1,618	824
China . . . . .	39	25
United States . . . . .	1,300	349
Hungary . . . . .	270	....
Norway . . . . .	....	450
Others . . . . .	9	....

## SAUSAGES AND BEEF

The following table shows the quantities of preserved meat, such as sausages, beef, etc., imported during 1939 and the first half of 1940:—

*Mexican Imports of Sausages and Beef*

	1939 Kilos	Jan.-June, 1940 Kilos
Total .....	50,873	15,531
Germany .....	288	.....
Argentina .....	19,640	10,261
China .....	115	151
Denmark .....	199	.....
United States .....	22,413	3,261
France .....	2,188	1,077
British Honduras .....	2,136	48
Hungary .....	391	.....
Italy .....	5	143
Netherlands .....	3,395	500
Others .....	103	90

## TONGUE

The ordinary canned tongue is imported from the United States into Mexico; but it is a luxury trade. For festive seasons a very small quantity of English world-famous brands of tongue in glass jars is imported by luxury shops in Mexico.

## VEGETABLE AND MEAT COMBINED PRESERVES

The following table shows the imports of vegetable and meat combined preserves:—

*Mexican Imports of Vegetable and Meat Combined*

	1939 Kilos	Jan.-June, 1940 Kilos
Total .....	104,992	48,243
Germany .....	917	.....
Argentina .....	955	1
China .....	74	.....
Spain .....	26	96
United States .....	87,407	41,172
Finland .....	69	.....
France .....	5,300	2,870
Great Britain .....	272	.....
Hungary .....	662	162
Italy .....	2,760	440
Japan .....	230	6
Netherlands .....	44	.....
Portugal .....	174	7
Switzerland .....	6,044	3,489

## PROSPECTS FOR CANADIAN PRODUCTS

If Canada has supplies of cheese available, there would be sales opportunities for this product in the Mexican market. The types of cheese offered should be similar to those previously imported into Mexico from Europe. The war has stopped not only supplies of cheeses, but also of hams, biscuits, macaroni, codfish, cocoa, and bacon, in all of which lines Canada might be able to do some business. Canada has always shipped to Mexico a well-known brand of tea, sold here under the trade mark of "La Joya," and canned sardines. Sales of Canadian codfish have now been made here and some hams are on the point of being imported. It is possible that Canada might also sell canned mushrooms, but canned apples are not wanted. The sale of fresh apples is a question of freight rates, as most imported fresh apples come from California, and of routing them to this market.

This report has been prepared with the aim of enabling Canadian exporters of foodstuffs to judge whether it is worthwhile to investigate the market in Mexico. If they feel that they would like to investigate the Mexican market, the Canadian Trade Commissioner in Mexico will be glad to hear from them.

The attention of biscuit manufacturers is directed to the variety of biscuits imported into Mexico, as indicated in the following table which deals with customs duties on some of the foods imported into Mexico.

### DUTIES

Following are the rates of duty on the various foodstuff items covered by this report; duties are assessed on three bases: (1) per legal kilo (on the weight of the goods including the weight of the ordinary interior packing but not the weight of the general exterior packing); (2) per kilo net weight (on the weight of the goods with interior packing); (3) per kilo gross weight (on the weight of the goods plus all packing):—

<i>Rates of Duty on Various Foodstuffs</i>		Pesos per Legal Kilo
Canned fish . . . . .		0.70
Canned salmon, the weight of which, including its immediate container, does not exceed 5 kilos, provided the said container bears any lettering to show its contents . . . . .		0.70
Fruit preserved in honey or its own juice . . . . .		2.00
Canned vegetables, n.o.p. . . . .		0.50
Bacon . . . . .		0.70
Hams . . . . .		0.70
Canned meats . . . . .		0.70
Animal preserved foods, even when mixed with vegetable products in any proportion, n.o.p. . . . .		0.70
Sausage . . . . .		0.70
Cheese . . . . .		0.80
Codfish . . . . .		0.40
Biscuits, when wholly covered with a paste made with a sugar basis		2.50
Biscuits, with sugar adornments and with a filling made with pastes with a sugar or fruit base . . . . .		1.50
Soda biscuits . . . . .		1.25
Biscuits and bread with fruit adornments, and with a filling made of substances not made with a sugar base . . . . .		1.50
Biscuits or bread, the weight of which, including its immediate container, does not exceed 5 kilos, with a commercial aspect, for the exclusive use of animals . . . . .		0.15
Biscuits, n.o.p. . . . .		0.60
Vegetable waxes . . . . .		0.40
Vegetable greases of all kinds, the weight of which, including their immediate container, does not exceed 5 kilos (for medicinal use)		1.00
Animal oils, of all kinds, the net weight of which, including their immediate containers, does not exceed 5 kilos (for medicinal use)		1.00
Animal greases of all kinds, the weight of which, including their immediate container, does not exceed 5 kilos (for medical purposes) . . . . .		1.00
Oleomargarine . . . . .		0.80
		Pesos per Kilo Net Weight
Cottonseed oil, in tank cars or tankers . . . . .		0.40
Sesame seed oil, in tank cars or tankers . . . . .		0.40
Linseed oil, in tank cars or tankers . . . . .		0.35
Vegetable oils, n.o.p., in tank cars or tankers . . . . .		0.40
Animal oils, in tank cars or tankers . . . . .		0.40
Hog lard, in tank cars or tankers . . . . .		0.23
Olive oil, in tank cars . . . . .		0.10
		Pesos per Kilo Gross Weight
Vegetable oils of all descriptions, other than almond or castor oil, the weight of which, including the immediate container, does not exceed 5 kilos, with recommendation for medicinal use . . . . .		1.00
Olive oil, the weight of which, including its immediate container, does not exceed 50 kilos . . . . .		0.20
Olive oil, the weight of which, including its immediate container, exceeds 50 kilos . . . . .		0.15
Cottonseed oil, the weight of which, including its immediate container, exceeds 50 kilos . . . . .		0.40
Sesame seed oil, the weight of which, including its immediate container, exceeds 50 kilos . . . . .		0.40
Linseed oil, the weight of which, including its immediate container, exceeds 50 kilos . . . . .		0.40
Vegetable oils, n.o.p., the weight of which, including their immediate container, does not exceed 50 kilos . . . . .		0.45



*Rates of Duty on Various Foodstuffs—Concluded*

	Pesos per Kilo Gross Weight
Vegetable oils, n.o.p., the weight of which, including their immediate container, exceeds 50 kilos . . . . .	0.40
Vegetable greases, the weight of which, including their immediate container, does not exceed 50 kilos . . . . .	0.45
Vegetable greases, n.o.p., the weight of which, including their immediate container, exceeds 50 kilos . . . . .	0.45
Vegetable greases, edible, solid at a temperature of 20° C., to replace compound lards . . . . .	0.45
Hydrogenated vegetable greases . . . . .	0.45
Animal oils, n.o.p., the weight of which, including their immediate container, does not exceed 50 kilos . . . . .	0.45
Animal oils, the weight of which including their immediate containers, exceeds 50 kilos . . . . .	0.40
Sperm, in cakes . . . . .	0.40
Stearine, in cakes . . . . .	0.25
Animal greases, n.o.p., the weight of which, including their immediate container, does not exceed 50 kilos . . . . .	0.45
Animal greases, n.o.p., the weight of which, including their immediate container, exceeds 50 kilos . . . . .	0.40
Hydrogenated animal greases . . . . .	0.45
Hog lard, in other containers . . . . .	0.32
Compound lard and its substitutes . . . . .	0.45

## FOREIGN TRADE OF THE PHILIPPINE ISLANDS, JANUARY-JUNE, 1940

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(One Philippine peso at par is equal to 50 cents United States currency)

Hongkong, January 9, 1941.—In the first six months of 1940, the trade of the Philippine Islands totalled 263,992,125 pesos, of which 143,582,059 pesos represented the value of imports and 120,410,066 pesos that of exports. In the corresponding period of last year the trade aggregated 235,976,839 pesos, imports being valued at 99,946,387 pesos and exports at 136,030,452 pesos. Imports thus exceeded exports in value by 23,171,993 pesos in the first half of 1940, while in the corresponding period of 1939 there was an export balance of 36,084,065 pesos.

### TRADE BY COUNTRIES

Trade with the United States in the first half of 1940 totalled 204,918,446 pesos as compared with 171,307,723 pesos in the corresponding period of 1939. This substantial improvement was chiefly due to an increase of 74 per cent in the value of imports, which amounted to 112,918,922 pesos. Imports from the United States represented 78 per cent of the total value of imports as compared with only 65 per cent in the first half of the previous year. The value of exports to the United States was 91,999,524 pesos, a decline of 14 per cent from that of 1939, and represented 76 per cent of the total value of exports as against 73 per cent in the January-June period of 1939.

Philippine trade with Japan declined to 13,385,408 pesos from 15,015,088 pesos in the 1939 half-year. The value of imports from Japan, amounting to 5,958,925 pesos, declined by 20 per cent, while that of exports to Japan increased by 202,848 pesos to 7,426,483 pesos. The Philippines had thus an export balance amounting to 1,467,558 pesos in trade with Japan as against an import balance of 567,818 pesos in the first six months of 1939.

Exports to Great Britain were valued at 3,622,549 pesos, an increase of 27 per cent, but the value of Philippine imports from that country at 1,845,965 pesos showed a decline of 36 per cent.

Shipments of Philippine products to France continued to be heavy, the value in June alone being 142,011 pesos as against only 54,824 pesos in June, 1939. Philippine purchases of French goods, however, declined in June to 133,170 pesos from 207,733 pesos.

As the result of increased export and import trade with China, that country moved up from seventh to sixth place as a market and from sixth to fifth as a supplier.

Among the countries which increased their purchases of Philippine products were the Dutch East Indies, French East Indies, Spain, Italy, Hongkong, Canada, the British East Indies, and Australia. Canada was in ninth place as a purchaser.

Imports into the Philippines from the Dutch East Indies, Siam, Australia, Spain, Italy, Canada (also ninth) and Hongkong were higher in value.

The following table shows the import and export trade of the Philippines with ten principal countries during the first six months of 1940 and 1939:—

*Import and Export Trade of the Philippines by Principal Countries*

	Imports		Exports	
	January-June		January-June	
	1940	1939	1940	1939
	Pesos	Pesos	Pesos	Pesos
United States . . . . .	112,918,922	64,772,816	91,999,524	106,586,604
Great Britain . . . . .	1,845,965	2,880,306	3,622,549	2,854,718
France . . . . .	461,191	756,229	3,115,361	1,811,128
Sweden . . . . .	649,455	401,473	1,539,187	474,859
Canada . . . . .	1,536,035	1,129,870	816,521	373,972
China . . . . .	3,080,706	2,582,255	1,339,171	1,220,600
British East Indies . . . . .	2,655,647	2,420,953	680,040	641,799
Dutch East Indies . . . . .	3,903,454	2,610,816	487,498	383,379
Japan . . . . .	5,958,925	7,791,453	7,426,483	7,223,635
Australia . . . . .	1,835,525	1,508,040	511,546	446,031

PRINCIPAL IMPORTS

Six of the ten leading imports of the Philippines in 1939 registered increases in the period under review, while the other four declined. It should be pointed out, however, that the import figures for 1940 are based on actual arrivals, while those for 1939 were on the liquidation basis.

The following table shows the value of the twelve leading imports into the Philippines during the first six months of 1940 and their value in the first half of 1939:—

	Jan.-June, 1940 Pesos	Jan.-June, 1939 Pesos
Iron and steel manufactures . . . . .	25,124,796	19,344,833
Cotton goods . . . . .	12,172,795	11,019,527
Mineral oil . . . . .	4,386,369	2,477,783
Tobacco products . . . . .	7,763,370	3,022,236
Silk goods . . . . .	5,925,186	2,430,189
Paper manufactures . . . . .	6,966,531	3,497,058
Fertilizers . . . . .	3,297,115	1,321,898
Electrical machinery, etc. . . . .	4,032,617	2,398,912
Automobiles and trucks . . . . .	4,071,294	1,546,095
Wheat flour . . . . .	5,297,680	4,638,495
Dairy products . . . . .	3,997,646	3,453,664
India rubber . . . . .	2,951,809	1,815,750

PRINCIPAL EXPORTS

The following table shows the value of the twelve leading exports during the first six months of 1940 and their value in the first half of 1939:—

	Jan.-June, 1940 Pesos	Jan.-June, 1939 Pesos
Sugar . . . . .	48,575,022	68,932,750
Copra . . . . .	12,569,149	12,428,051
Coconut oil . . . . .	12,261,387	9,686,012
Abaca . . . . .	12,367,028	10,503,338
Tobacco products . . . . .	4,733,315	7,266,537
Embroideries . . . . .	3,615,375	4,939,529
Lumber and timber . . . . .	4,691,330	3,218,899
Desiccated coconut . . . . .	3,338,865	3,443,991
Chromium ore . . . . .	2,088,510	680,865
Iron ore . . . . .	2,887,634	2,447,318
Cordage . . . . .	1,806,237	1,528,119
Copra meal . . . . .	1,873,246	1,946,106

## CONTROL OF EXPORT GOODS AND MATERIALS FOR THEIR MANUFACTURE IN JAPAN

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, January 30, 1941.—In order to cope with the trade situation, which has recently been intensified, the authorities of the Commerce and Industry Ministry of Japan have decided to exercise rigid control over the export of goods and to adjust the organizations for export control. At the same time steps are to be taken to control the use of materials required for the manufacture of goods for export. To effect these measures of control an ordinance has been promulgated under the provisions of the Emergency Import and Export Control Law covering the control over export goods and the supply of materials necessary for their manufacture. The following is a summary of the regulations as enforced by this Ordinance (Commerce and Industry Department Ordinance No. 106, promulgated December 23, 1940, and effective as from January 20, 1941).

### CONTROL OVER EXPORT GOODS

1. The Minister of Commerce and Industry is authorized to specify organizations to effect control over export goods, to designate the classes of goods which shall be subject to such control, and to prevent the domestic use of such designated export goods.

2. Export control organizations may buy the specified export goods from the manufacturers and sell them or consign them to exporters.

3. Export control organizations may establish rules and draw up plans respecting the purchase, sale and consignment of the specified export goods, which rules and plans must be approved by the Minister of Commerce and Industry, who may order changes to be made in such rules and plans.

4. The following organizations will probably be named by the Minister of Commerce and Industry as specified export control organizations, although no formal announcement has been made: The Japan Trade Promotion Co., Ltd.; The Fibre Goods Export Promotion Co., Ltd.; The Celluloid Goods Export Promotion Co., Ltd.; The Glassware Export Promotion Co., Ltd.; The Rubber Goods Export Promotion Co., Ltd.; The Japan Export Bicycle Sales Corporation; The Japan Slide Fastener Export Promotion Co., Ltd.; The Japan Export Plywood Control Company, Ltd.

5. Rules will be fixed by the respective export control organizations by which the export of designated goods will be prohibited except by exporters who have bought the goods from the export control organizations or those to whom the goods have been consigned by the control organizations.

### CONTROL OVER THE SUPPLY OF MATERIALS FOR THE MANUFACTURE OF EXPORT GOODS

1. To guarantee an adequate supply of materials required for the manufacture of goods for export and to prevent the use of such materials for domestic use, the Minister of Commerce and Industry is given power to specify supply organizations and to designate materials to be supplied for the manufacture of export goods.

2. In principle, the supply organizations can furnish designated materials only when one or more of the following conditions has been complied with:—

- (a) When they sell materials to persons engaged in the manufacture (including partial manufacture) of specified export goods upon receipt of orders from export control organizations.



- (b) When they sell materials to persons engaged in the manufacture of export goods other than those specified when such persons are in receipt of orders from abroad (other than the yen-bloc countries of Manchuria, Kwantung Leased Territory and China).
- (c) When they sell materials to persons engaged in the manufacture of export goods other than those specified when such persons are in receipt of orders from exporters.
3. When materials are supplied, the manufacturers are required to make without delay the goods which have been ordered and deliver such goods to the export control organizations or to exporters or make direct shipment of the same.
4. Any goods which have been manufactured for export but which have not been exported, or any materials which have not been consumed for the manufacture of export goods because of a cancellation or change of orders, may not be used for purposes other than those specified by supply organizations.
5. Supply organizations may establish rules and make plans pertaining to the sale of materials, and these must be reported to the Minister of Commerce and Industry for his approval; the Minister may change such rules or plans when considered necessary.
6. The Japan Trade Promotion Co. Ltd. has been specified as the supply organization.
7. The following articles and manufactures thereof have been specified as "materials" under the regulations governing goods for export and the supply of materials for the manufacture of such goods:—

Nails, iron and steel wires, galvanized iron sheet, cans, hoop iron, special steel, chrome ore, manganese ore, tungsten, molybdenum, copper, lead, zinc, antimony, tin, nickel, aluminium, mercury, cotton yarns and tissues, cotton, jute, manila hemp, rags, lumber, match wood, pencil wood, lacquer, tannic acid, gum arabic, gum copal, gum dammar, gum tragacanth, shellac and other gums and gum resins, glue, carnauba wax, beeswax, paraffin, argol, tartar emetic, tartaric acid, logwood, logwood extracts, carbon black, ethyl acetate, butyl ether, formalin, methyl alcohol, glycerine, potash, phosphate, vegetable volatile oil, beef tallow, cacao butter, olive oil, sulphate of nickel, nitrate of soda, gelatine, coal-tar distillates and products derived therefrom, ultramarine blue, asphalt, gilsonite, borax, titanium oxide, casein, toluol, cobalt oxide, acetone, optical glass, rock crystal, fluorite, cryolite, graphite, silica sand, gypsum, mica, abrasives, precious stones, semi-precious stones, asbestos, animal sinews, animal hairs, hoofs, horns, bones, palm and other vegetable fibres, cork, willow, sponge, Mexican fibre, glass and glassware, straw mats and a number of miscellaneous items.

## PAPER AND PAPER PRODUCTS FOR THE NEAR EAST

The Canadian Trade Commissioner in Cairo has forwarded to the Department a number of inquiries for various papers and paper products required by importers in the Near East. A list of these follows, and it is suggested that interested exporters write to the Director, Commercial Intelligence Service, Department of Trade and Commerce, Ottawa, for further particulars:—

Commodity File No.	Commodity	Country
2405	Cardboard . . . . .	Palestine
2415	Wood-free pure mechanical paper, kraft paper and M G sulphite paper . . . . .	Egypt
2424	Wrapping papers . . . . .	Egypt
2425	Wrapping papers . . . . .	Egypt
2586	Duplex cardboard . . . . .	Egypt
2590	Kraft paper . . . . .	Egypt
2592	Wrapping and packing papers . . . . .	Egypt
2593	Paper cement bags . . . . .	Egypt
2594	Cardboard and chromopaper . . . . .	Egypt
2632	Papers and cardboard . . . . .	Egypt
2633	Printing and kraft papers . . . . .	Egypt
	Cardboard . . . . .	Egypt
2637	Printing and wrapping papers . . . . .	Egypt

Commodity File No.	Commodity	Country
2639	Printing, writing and envelope papers . . . . .	Palestine
2640	Imitation kraft and sulphite papers . . . . .	Palestine
2641	Toilet papers . . . . .	Palestine
2721	Printing and manifold papers . . . . .	Egypt
2747	Kraft papers . . . . .	Egypt
2858	Paper for bags and copy books . . . . .	Palestine
2865	Papers and stationery . . . . .	Iraq
2892	Wrapping paper and cardboard . . . . .	Egypt
2928	Insulating boards . . . . .	Palestine
2944	Toilet paper . . . . .	Egypt
3047	Kraft paper for cement bags . . . . .	Egypt
3067	Wood-free poster and kraft papers . . . . .	Egypt
3260	Kraft paper . . . . .	Palestine
3410	Printing paper . . . . .	Egypt

## TENDERS INVITED

### Australia

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date February 5 that the Deputy Director of Posts and Telegraphs for Australia is calling for tenders for the supply and delivery of the following:—

Underground cable (tenders close May 1, 1941).

P.A.B.X. relay sets (tenders close April 17, 1941).

Automatic voltage regulators for controlling the outputs of d.c. generators, the rated outputs of which will be within the range of 100 to 1,000 amps. and, in one instance, 1,500 amps. (tenders close April 10, 1941).

Particulars of the types and quantities required may be obtained by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

Canadian manufacturers not already represented in Australia who may be interested in the foregoing tenders are advised to obtain the assistance of an Australian firm versed in the procedure of tendering for the requirements of Australian Government departments. The name of such a firm will be supplied on application to the Department of Trade and Commerce, Ottawa.

## CONTROL OF EXPORTS FROM CANADA

### COUNTRIES WITH WHICH TRADING PROHIBITED

By Orders in Council (P.C. 1561 and 1562 respectively) of March 4, 1941, from and including March 1, 1941, the provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) have been extended to and are deemed to apply to the territories of Bulgaria and Hungary as proscribed territories.

In addition to the Greater German Reich, Moravia, Bohemia, Slovakia and Poland, the following countries were previously named enemy or proscribed territory by Orders in Council of various dates:—

Denmark and Norway,

Netherlands, Belgium and Luxembourg,

Italy, its possessions, and Albania,

French Territory in Europe, the contiguous territories of Andorra and Monaco, and the French Zone of Morocco, Corsica, Algeria and Tunisia,

The Channel Islands,

Roumania.

## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### CURRENCY FOR PAYMENT OF IMPORTS

A British Board of Trade Notice, No. 113, dated February 1, 1941, draws the attention of importers to the fact that the issue of an import licence does not of itself entitle the licence holder to make payment in any currency but that of the country of origin of the goods to be imported, or in sterling payable to that country in the manner prescribed by the Exchange Control. The Notice states that importers who require to make payment in any other way should explain their reasons when applying for an import licence and that, if they fail to do this, they may find that the banks have no authority to make an exception to the general rule.

#### SHIPMENT OF HONEY QUOTA

Mr. G. R. Paterson, Animal Products Trade Commissioner in the United Kingdom, writes that he has been informed by the British Ministry of Food that honey must be landed in the United Kingdom by June 9, 1941, in order to be included in the present season's quota, arranged last November between the British Ministry of Food and representatives of the Canadian Government.

### New Zealand

#### SOME NEW TARIFF CLASSIFICATIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rate of duty on articles regarding which question had been raised include the following:—

Pastry cooks' ovens, gas-fired, single or multiple-deck under item 353-1, 25 per cent ad valorem if imported from the United Kingdom, 25 per cent ad valorem plus 22½ per cent of the duty if from Canada, and 50 per cent ad valorem plus 22½ per cent of the duty if from non-British countries.

Innersoling material composed of a cotton textile backed with paper or cardboard for use as slipper insoles under item 183-2, 20 per cent ad valorem if imported from the United Kingdom, 20 per cent plus 22½ per cent of duty if from Canada, and 45 per cent ad valorem plus 22½ per cent of the duty if from non-British countries.

Machines and appliances approved for admission under item 352, free of duty under British preferential tariff (applicable to Canada), 20 per cent ad valorem if from "most-favoured nations", and 25 per cent ad valorem plus 22½ per cent if from other foreign countries; to include springs, valve, suction and delivery, for multi-port valves of air compressors; and angle-dozers, angle-graders, bulldozers, bullgraders, gradebuilders, roadbuilders, trail-builders and similar appliances, cable or hydraulically operated, for attachment to tractors (formerly free of duty from all countries)

Tubes, empty collapsible, of textile with inner sleeve of greaseproof paper, including caps of any material and closing clips of metal, for holding toilet preparations, etc.; and paper of qualities and in sizes approved by the Minister on declaration by a manufacturer of cigarette papers that it will be used by him solely in the manufacture of booklets or wrappers for cigarette papers in a licensed manufacturing warehouse, have been added to the list of articles admissible under item 448, free of ordinary duty (but subject to 3 per cent ad valorem primage duty) from all countries.

### Southern Rhodesia

#### IMPORT AND EXCHANGE CONTROL

Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, writes under date January 27, 1941, that under Section 4 of the Emergency Powers (Defence) Act, 1939, the Government of Southern Rhodesia has just issued



regulations (No. 32 of January 17, 1941, and No. 43 of January 24, 1941) (1) to control the export of capital and (2) to prohibit the import into the Colony of certain non-essential commodities from countries outside the British Empire.

The first mentioned order provides that in order to conserve foreign exchange, importers must, before placing any orders or undertaking any obligations requiring foreign exchange, obtain a permit from the Treasury covering the exchange involved. In this connection provision is made that foreign exchange will not be granted for payment for goods from outside the British Empire unless the importer can show that similar goods, or a suitable substitute cannot be obtained from within the Empire.

The British Empire in this respect is defined generally as the United Kingdom, the Dominions, India, Burma, Mandated Territories, Colonies and Protectorates.

Under date January 24, 1941, a further order provided that, except under authority of a special permit, the following goods could not in future be imported into Southern Rhodesia, except from a country of the British Empire:—

Confectionery; cornflour, patent or proprietary farinaceous and cereal foods; bottled, tinned or dried fruits; vegetables, tinned or otherwise preserved; perfumed spirits; perfumery and toilet preparations; soap; clothing and underclothing; hats and caps; hosiery; artificial silk piece goods; clocks, watches and parts; plated and silverware; jewellery; gramophones and records; musical instruments; sporting and athletic goods; toys; photographic apparatus and material.

In 1939 Southern Rhodesia imported merchandise to the total value of £8,900,000, of which the Empire supplied to a value of slightly over £6,500,000 and foreign countries to a value of £2,400,000. The principal countries of supply during that year were as follows: United Kingdom, £3,980,000; South Africa, £1,600,000; Canada, £375,000; India, £207,000; United States, £850,000; Portuguese East Africa, £186,000; Japan, £183,000; Germany, £168,000; Netherlands East Indies, £161,000.

A detailed report on the trade of Southern Rhodesia in 1939 was published in *Commercial Intelligence Journal* No. 1923 (December 7, 1940), page 752.

## British India

### IMPORT CONTROL OF STEEL PRODUCTS

With reference to the notice in *Commercial Intelligence Journal* No. 1929 (January 18, 1941), page 80, respecting extension of control of imports into British India, copies of the regulations imposing the new restrictions, since received, show that the following descriptions of iron and steel may not be imported from any country without licence:—

Ingots, billets, blooms and slabs; plates, medium plates, angles, channels, tees, joists, piling sections, other sectional material, rounds, rods, squares, hexagons, flats, other sections and shapes (whether black or bright), rails, sleepers, fishplates, soleplates; sheets, coated and uncoated, less than 3 mm., including galvanized, leadcoated and cellactite sheets; tinplates,terne plates, black plates, silver finished plates; shell steel; steel tubes and pipes (including imported hollows); hoops, strip (whether coated or uncoated and whether hot or cold rolled); tires, axles, wheels; steel castings, forgings, stampings; colliery arches and accessories therefor, pit props; steel bolts, nuts, studs, washers, rivets and screws; railway springs, whether laminated or coiled; coated or uncoated wire rod, wire, whether plain or barbed, wire rope, wire strand, wire netting, wire chain, link fencing, wire mesh, wire nails (excluding boot and shoe grindery), wire staple (excluding machine staple).

## Jamaica

### IMPORT LICENCES CONDITIONAL ON QUALIFICATION FOR TARIFF PREFERENCE

Mr. F. W. Fraser, Canadian Trade Commissioner in Jamaica, writing under date of February 27, calls attention to one of the provisions under which import licences are issued for goods from Canada. Except under special pre-arranged circumstances, goods are not licensed unless they are qualified to enter under the British preferential tariff. That is a condition of the licence when issued. Some goods shipped from Canada, the Trade Commissioner reports, do not meet the preferential tariff requirements of the Colony. So far a lenient view has been adopted by the authorities there and the goods have been admitted, although the general rate of duty has been exacted. In future, the Competent Authority states, goods not shipped in accordance with the licence conditions will not be admitted, but will be returned at the expense of the shippers.

## Grenada

### IMPORT OF PAPER PRODUCTS RESTRICTED

The Grenada Government *Gazette* of February 1, 1941, announces that importation of wrapping paper during the year 1941 from non-sterling areas will be restricted to 50 per cent of the quantity of wrapping paper imported from non-sterling areas during the year 1940. Importation is prohibited from all sources of advertising show cards; calendars; compliment slips; greeting cards; menu cards, printed or blank; novelties; paper cups; paper handkerchiefs; paper plates; paper saucers; paper table cloths; programs; visiting cards; window and counter display devices and Christmas crackers. Advertising show cards and window and counter display devices may be licensed for importation if application is made before the goods are shipped and a declaration is lodged with the Control Office that no funds will leave the Colony to cover their cost.

## British Guiana

### ADDITIONAL LIST OF PROHIBITED IMPORTS

With reference to the list of goods prohibited importation into British Guiana, published in *Commercial Intelligence Journal* No. 1911 (September 14, 1940), page 393, the Secretary of the Supplies Control Branch of the Customs Department advised on February 4, 1941, that importation of the following additional items has been prohibited from all sources: Unsweetened biscuits; aluminium, whether manufactured or unmanufactured; matches; peanut butter; salted peanuts; advertising show cards; calendars; compliment slips; greeting cards; menu cards, printed or blank; novelties; paper cups; paper handkerchiefs; paper plates; paper saucers; paper tablecloths; programs; visiting cards; window and counter display devices; Christmas crackers. An exception is made in the case of advertising show cards and window and counter display devices, which may be imported providing no funds leave the Colony to cover their cost.

## Argentina

### EXCHANGE RATE FOR COLLECTION OF CONSULAR FEES

With reference to the notice in *Commercial Intelligence Journal* No. 1934 (February 22, 1941), page 236, Mr. Saul Aguilar, Consul General of Argentina in Ottawa, advises that the rate of exchange in force as from March 3, 1941, for the purpose of the collection of consular fees is \$27.70 Canadian per 100 Argentine paper pesos.

## Peru

### PAYMENT OF CONSULAR FEES

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, cables that under a Peruvian decree, effective April 1, 1941, consular fees will be collected at customs houses and post offices in Peru instead of being paid to the consul as at present. The fee for legalization of consular invoices, which are required on all freight shipments to Peru and on parcel post shipments valued at more than \$49, is 6 per cent of the f.a.s. value, port of exit. For legalizing the bill of lading the fee is \$1.

Exporters wishing information respecting documentation of shipments to Peru may obtain a leaflet on this subject on application to the Department of Trade and Commerce, Ottawa.

## NEW EXCHANGE AND IMPORT CONTROL REGULATIONS IN ARGENTINA FOR DOLLAR AREA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, February 28, 1941.—New regulations governing imports into Argentina from Canada, the United States and other countries in the dollar area were issued on February 22, 1941. A brief summary of these new regulations was published in *Commercial Intelligence Journal* No. 1936 (March 8, 1941), page 299. Further details are now available.

(For an account of previously existing regulations see *Commercial Intelligence Journal* No. 1931 (February 1, 1941), page 133.)

Under the new regulations import permits and dollar exchange will be made available by the Argentine Exchange Control Board for imports of specified products from Canada and the United States under the conditions described in the following paragraphs.

### IMPORTS AT PREFERRED RATE

Import permits will be freely available for the following commodities from Canada and the United States at the preferred rate of 3·7313 pesos to the United States dollar:—

Certified seed potatoes; coconut and palm oil; animal oil, n.o.p.; croton oil; resin oil; cod oil and emulsion; whale oil; sheep oil; impure paraffin oil; medicinal solutions for hypodermic use; certain other medical specialties and specifics, i.e., vaccines, salvarsans, drugs, etc.; citric acid; anilines; calcium carbide; paraffin; resin; certain specialties and preparations for industrial use, i.e., crude benzine, colourings, rennet, tanoline, etc.; certain drugs and chemical products for industrial use, i.e., arsenic, codein, strychnine, ethers, etc.; certain herbs, roots and leaves; surgical and laboratory instruments; certain pharmaceutical and toilet products, i.e., zinc acetate, menthol, soaps, tooth-paste base, antiseptics, etc.; certain orthopedic articles, i.e., trusses, mortars, etc.; ungalvanized steel or iron wire to No. 14; wire (galvanized or ungalvanized) rope or cables; oxide of lead; turpentine; carbon black; lamp black; lithopone; impure red oxide of iron; pigments in powder; turpentine substitutes; ultramarine and Prussian blue; gilding mixtures; iron and steel unworked in ingots and sheets; aluminium sheets; copper and bronze in ingots and sheets except solder; electrolytic copper; iron and steel unworked in beams, hoops, tie rods and angles; scrap iron; plain zinc sheets, zinc bars and ingots; aluminium ingots; nickelled iron hoops; corrugated iron sheets; siliceous iron; manganese iron; engraving zinc; aluminium powder and wire; zinc powder; binder twine; X-ray plates and films; printed music; wood pulp; newsprint; printing materials; repairs for printing presses; wooden cask shooks; pedigreed animals; live plants and seeds.

### IMPORTS AT NON-PREFERRED RATE

The following commodities will also be admitted freely from Canada and the United States, but will be paid for at the non-preferred rate of 4·2289 pesos to the United States dollar:—

Hops; hydrogenated vegetable grease; essences, i.e., cloves, anis, citronella, etc.; bronze wire, bare; copper wire and cable for electrical use; porcelain insulators; steel wire; insulating



tape; battery parts and plates; Bergmann tubes; iron or steel wire, bronzed; white metal and zinc wire; copper sheets; nickel sheets; aluminium sheets; antimony; bronze powder; metallic copper powder; zinc powder; iron for springs; tinplate, worked; zinc sheets; wire for wool baling; cotton fibre balers; canvas to cover grain; wooden grain shovels; artificial fertilizers; rock salt; needles; scientific instruments; unexposed cinematograph films; optical glass; eye-glass lenses; artificial glasses; photographic chemicals and supplies; photographic frames; mica; religious articles; locomotives and parts; railway and tram coaches; axles, wheels and fish-plates for railway use; aeroplanes and parts; firearms; explosives and caps; bakelite; ebonite; vulcanizing fibre; Fontainebleau sand; rabbit hair; graphite and dress patterns.

### EXCHANGE AUCTIONS

The Exchange Control Board will offer at auction semi-weekly, as from March 7, 1941, a fixed amount of dollar exchange, for sale to the highest bidders among importers. The purchasers of the dollar exchange at these semi-weekly auctions may use the exchange to pay for the following goods of Canadian or United States origin:

Passenger automobiles; buses and trucks; auto tires and tubes; car and truck chassis; automotive repairs and parts; dried prunes; fresh apples and pears; currants; paving asphalt; iron piping, including galvanized; white cement; shower baths; domestic boilers; steam heaters; oil and alcohol stoves; gas meters; water filters; refractory materials; underground lead-covered cables; motors and dynamos and parts; radio tubes; loud speakers; meters; dry batteries; radio parts; incandescent lamps for special use; electric ventilators; other electric and telephone materials, i.e., switches and fuses, electric plugs, reducers, sockets, switch boards, electric bells, telephones, tubes, etc.; iron and steel wire, galvanized, to No. 14; barbed wire; screening of bronze, mould metal, etc.; bolts and nuts; other screws, nails and tacks; latches; hinges; locks; hooks and other door hardware; certain tools (pneumatic or electric) and others including planes, emery stones, hoes, bits, anvils, chisels, forges, jacks, axes, hammers, shovels, lanterns, emery paper, solder, etc.; certain aluminium and nickel tubes and fittings; copper tubes; bath tiles; cleaning pastes and powders; iron bars; tinplate, unworked; watches and clocks; specified shoe findings; Douglas fir; Southern pitch pine and spruce lumber; ball bearings; sewing machines and parts; asbestos fibre and packing; pumps; repairs for machinery and motors; felts for machinery; plough shares; repairs for agricultural machines and implements; farm tractors; threshers; combines; binders; seeders; wheel-ploughs; headers; ordinary ploughs; incubators; wire stretchers; shellers; pulverizers; presses; hand seeders; fanning mills; harrows; sundry costume articles; lightning fasteners; photographic paper; photo plates; films; wrapping paper; book and writing paper; stationery articles; cellophane; razor blades; toilet articles; cigars; leaf tobacco; motor cycle parts; musical instruments; fine box calf and patent leather; solid rubber tires; typewriters; sporting goods; calculating machines; fishing rods; precious stones and metals; jewellery; movie films; steel clasps; boiler tube brushes; copper solder; plumbagine; lanterns of yellow metal for acetylene gas; mineral oil, etc.; measuring tapes; grinding stones; pumice stone and solderers.

It is estimated currently that probably U.S.\$3 million will be available monthly for auction after paying for essential commodities and after taking care of financial services for the dollar area. This is a very small amount in relation to the important commodities admissible under this heading. Any dollar exchange received through external credit operations, such as the U.S.\$60 million credit from the Export-Import Bank at Washington, will be made available later, presumably under special regulations.

The dollar exchange made available for sale at these auctions will come from (1) surplus exchange as furnished by the Board after other requirements have been met; (2) the exchange from the export of certain specified minor commodities, such as casein, potatoes, cattle sub-products, which the Board buys at a rate of 4.2182 pesos to the dollar instead of the fixed rate of 4.35 for other exports; and (3) the 20 per cent of the exchange received from the proposed new export corporations as described below.

The exchange auction system will also apply in the case of imports from certain other countries, besides Canada and the United States, including Newfoundland, Sweden, Finland, Ireland, China, Portugal, Costa Rica, Panama, Cuba, Honduras, Salvador, Haiti, Dominica, Nicaragua, Iran, Manchukuo,

Roumania, Bulgaria, Turkey, Yugoslavia, Hungary, Liberia and United States possessions. These countries will be able to use dollars purchased at the semi-weekly auctions to pay for the commodities listed previously as admissible from Canada and the United States.

#### COAL, MACHINERY, PETROLEUM PRODUCTS

Coal is admissible from Canada and the United States, subject to "special study" in the case of each applicant. Industrial machines and motors and oil-well equipment are given similar treatment. Crude oil, lubricants and other petroleum products are admissible subject to special quotas.

#### PRIVATE INDIVIDUALS

Dollar exchange will be made available to private individuals or entities for the transfer of capital, dividends, interest, or for any other remittances (apart from payments for imported goods) to all countries in the dollar area, at a variable or "free" rate which is currently 4.2650 pesos to the U.S. dollar or its equivalent in Canadian dollars. This variable rate is allowed to fluctuate, but only at the discretion of the Central Bank.

#### GOVERNMENT REQUIREMENTS

Dollar exchange will also be made available to Argentine Government Departments to meet financial services and other obligations abroad.

#### COMMODITIES NOT ADMISSIBLE

The lists of commodities given above indicate the products of Canada and the United States which may now be sold to Argentina. It might be noted that the following commodities, among others, are not admitted to Argentina from Canada or the United States under the present import regulations in Argentina:—

All food products including fish (except hydrogenated vegetable grease, dried prunes and raisins, hops, fresh apples and pears); whisky, gin and all other beverages; silk, cotton, wool and all other textiles, whether in thread, piece-goods or made-up apparel of any kind; wearing apparel of all kinds, including shoes, gloves, etc.; all domestic and household appliances and machines; cooking utensils; furs of all kinds; all wood and wood products (except wood pulp, Douglas fir and spruce lumber and cask shooks); all paper and paper manufactures (except newsprint, wrapping, book, writing and photographic paper); wall-paper; linoleum and oilcloth; wallboard; cutlery; liquid paints and varnishes; plain and fancy glassware; hemp rope; car batteries complete; nails of bronze and copper; tooth-picks; buttons; brushes of all kinds; smokers' articles; velocipedes; enamels; rubber hose and belting; rubber shoes; insecticides; washing machines; wood veneers; combs; steel furniture; bicycles and toys; windmills; bathroom fittings; building materials.

#### EXPORT CORPORATIONS

In order to encourage the export of new Argentine products to the dollar area, the Argentine Government will encourage the formation of special export corporations in Argentina. Such approved corporations will have the privilege of using 80 per cent of the dollar exchange arising from the sale of specified new or minor Argentine exports in the dollar area to pay for imported merchandise admissible under the regulations, but subject to restrictions, as required by the corporations. It is expected that these corporations would be formed by groups of importers of goods from North America. Profits will be limited to 4 per cent on the capital invested. Surplus profits will be used to encourage exports from Argentina. It remains to be seen what success will attend this particular effort on the part of the Argentine Government.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 10, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 10, 1941, and for the week ending Monday, March 3, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Mar. 3	Nominal Quotations in Montreal Week ending Mar. 10	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary . . . . .	Pengo	.1749	.3227	.....	—
Portugal . . . . .	Escudo	.0442	.0445	.0445	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2645	.2644	3½
Switzerland . . . . .	Franc	.1930	.2576	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2279	3
Jamaica . . . . .	Pound	4.8666			
	Bid		.....	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2564	.2547	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4353	.4388	—
South Africa . . . . .	Pound	4.8666			
	Bid		.....	4.3862	3½
	Offer		4.4600	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		.....	4.5380	—
	Offer		4.6000	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0608	.0604	—
Hongkong . . . . .	Dollar	.....	.2710	.2711	—
India . . . . .	Ruppee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		.....	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		.....	3.5440	2
	Offer		3.5900	3.5940	—



## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
21 Inch "Maple" Shaper (Machine).....	52	Birmingham 3, England...	Indent (for South Africa).
Brassieres and Suspender Belts...	53	Johannesburg, S. A. ....	Agency.
Umbrella Cloth of Plain Cotton, Rayon, and Mixtures of Both..	54	Mexico City, Mexico.....	Agency.
Handkerchiefs, in Whole Pieces..	55	Mexico City, Mexico.....	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barelay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

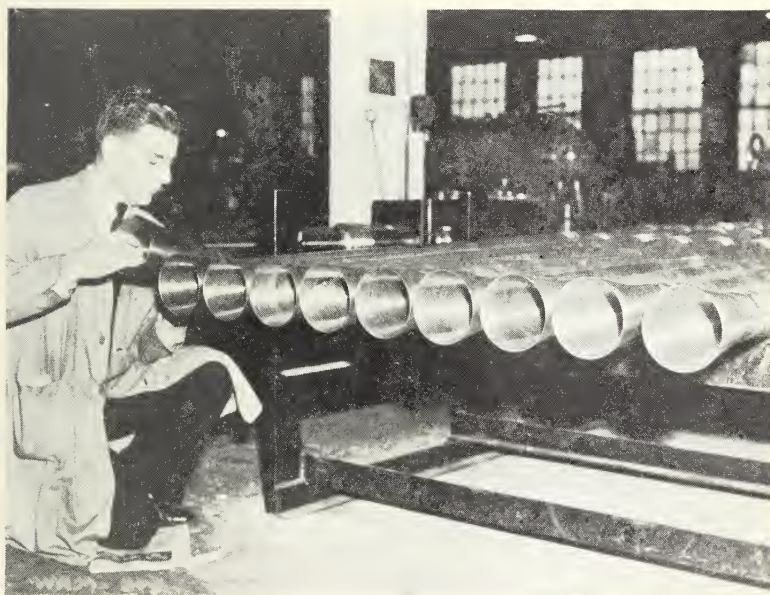


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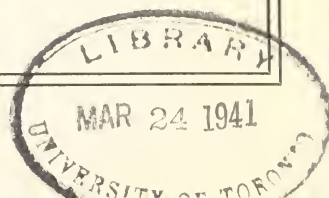
**Barrels for Bofors Anti-aircraft guns, showing funnel-like Flash Shields, in a Canadian plant**

*Photo—Public Information*

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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**Vol. LXIV**

**Ottawa, March 22, 1941**

**No. 1938**

## BUSINESS CONDITIONS IN SOUTH AFRICA DURING 1940

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, January 28, 1941.—General business conditions throughout the Union were satisfactory during 1940 and a new record was set by gold mining, the country's most important industry. Railway earnings, which are a reasonably good criterion of economic activity, attained a high level, while foreign trade also recorded an expansion. Stimulated by war-time conditions and requirements industry continued to widen its field and to give increasing employment.

Financially the Union is in a strong position. Despite their magnitude, the impact of the war expenditures has been met without any dislocation or weakening of the country's financial structure.

From a political point of view the situation has been less satisfactory. A strong minority advocating neutrality and a separate peace with enemy states has hampered the Government's efforts to give full and unreserved support to the prosecution of the war.

Some fear was felt for the farming community, following the outbreak of hostilities, owing to the loss of important European markets; but, as the result of other arrangements, particularly with the United Kingdom, the position has been relieved and agriculture is reasonably prosperous.

The volume of retail trade during the Christmas period was greater than in 1939. The increase in the circulation of money caused by army expenditures, higher wages and increasing employment has had a favourable effect on retail trade in general, and particularly on chain-store operations.

The wholesale price index of imported goods has doubled since the outbreak of war, although the comparative steadiness of the index representing locally made goods has kept the aggregate within more reasonable bounds. It is officially estimated that the increase in the cost of living has not exceeded 5 per cent.

Higher selling prices, licensing fees and fuel costs resulted in a marked contraction in the number of new motor cars licensed during 1940. In 1939 the figure was 33,085. For the period from January to October, 1940, it was only 16,390, which means that for the twelve months it can hardly have exceeded 20,000.

## GOLD MINING

An analysis of the working results of the Witwatersrand gold-mining industry in 1940 has recently been issued by the Chamber of Mines. The figures given show remarkable advances on those for 1939, and that a far greater share in the prosperity of South Africa is to-day taken by the gold industry than ever previously. While the value of gold produced by the Transvaal in 1932 was just under £50,000,000, last year's production was worth £117,917,021. In 1940 producing mines spent £66,682,366 in working costs, which was £10,000,000 more than in 1939 and exactly twice as much as in 1932. As the greater proportion of this sum was spent within the Union in wages and stores, its enormous importance in the economic life of the country cannot be exaggerated.

Taxation figures in connection with the gold industry are even more striking. In the financial year ending March 31, 1933, the mines contributed £3,600,000



in direct revenue to the State. The following year, after the gold standard had been abandoned, this contribution rose steeply to £14,500,000. For the current fiscal year, which will end on March 31, 1941, the gold industry will contribute more than £21,000,000 to government revenue.

The effect of the industry's mass tonnage policy, the advent of several new producers and a more plentiful supply of native labour can best be judged by production figures. During the period under review, 64,515,350 tons of ore went through the mills as compared with 58,340,200 tons in 1939 and 35,000,000 tons in 1932. Gold production rose from 11,553,564 ounces in 1932 to 14,037,741 ounces in 1940. Eight new mines which have reached production in the last four years, have played a big part in increases. Older established properties have also in most cases substantially increased their output and not one of these has had to discontinue operations. Profit figures have also increased sharply. While the industry as a whole showed a profit of £14,700,000 in 1932, the 1939 figure was £35,516,967 and last year profits reached £47,525,187. Dividend payments have moved upwards concurrently. They amounted to £8,993,294 in 1932 and £19,903,321 in 1939, while last year's figure was £21,060,575. This latter sum, however, contains dividends paid by one mining company to another. The net total declared last year was £20,359,487.

Working costs per ton of ore milled, which include realization charges, were 20s. 8d. in 1940 as against 19s. 5d. in 1939 and 19s. 3d. in 1932. The higher figure last year was due principally to the vastly increased tonnage, which has lowered average costs. On the other hand, the mines are now milling a much lower grade of ore than that milled during the high gold-price era. In 1932 the average grade was 6·471 pennyweights per ton, while last year ore of an average grade of 4·196 pennyweights was milled. Despite the lower average grade the revenue per ton has increased from 27s. 6d. to 35s. 5d., owing to the higher price of gold. In the same period, profit per ton milled has risen from 8s. 4d. in 1932 to 12s. 2d. in 1939 and 14s. 9d. in 1940.

#### AGRICULTURE

The position of agriculture in the Union during the past year was relatively favourable, despite difficulties experienced as the result of the war.

In his report for the year ended August 31, 1940, the deputy head of the Department of Agriculture and Forestry, in considering the effects of the first year of hostilities, stated that the progress of agriculture had not been seriously interrupted by the abnormal conditions which had prevailed. The value of wool exports during the 1939-1940 season was higher than in the preceding period, despite a decline in volume, owing to the average export value of the clip amounting to 11·8d. per pound in comparison with 8·3d. the year before. Preliminary figures representing the 1940 value of shipments of sugar, hides and skins and wattle bark and extract also showed an improvement when compared with the preceding year.

The normal export markets for certain products, such as deciduous fruits, has been largely lost and state intervention has been necessary to protect the producers.

The wheat crop for the 1939-1940 season was somewhat below normal. The indications for the present period are for a yield of slightly more than 16,000,000 bushels, with the probability that supplementary supplies will have to be imported from abroad.

#### INDUSTRIAL DEVELOPMENT

The progress made by South African industry is indicated by a report in the 1937-1938 industrial census, which was published late in 1940. Although it does not reflect the accelerated expansion of industry caused by the war, the report brings out clearly the important part industry had already attained in

the Union's economy by 1938. It embodied a preliminary summary of the twenty-first industrial census of the Union, mining and quarrying being excluded. This census covered 10,234 industrial establishments, having a fixed capital of £106,577,000, an annual pay-roll of £45,000,000, and employing 348,520 persons, including 143,760 whites.

All the figures reveal an expansion in comparison with the preceding year. For instance, an increase of £10,258,137 or 6.6 per cent was registered in the value of the gross output of all groups of privately-owned industrial undertakings. The groups showing the greatest increment were engineering and metals with £3,239,000; food and drink, £3,110,000; building and contracting, £1,166,000; and chemicals, £1,223,000.

The gross production of all industrial establishments in the Union in 1938 was £187,486,000. The most highly concentrated industrial area is in the Southern Transvaal, followed by the Western Cape, and the Durban and Port Elizabeth areas.

Since the compilation of the census report industrialization has been given further impetus by the higher degree to which South Africa has been thrown on its own resources as a result of the international situation. An added factor has been the manufacture of uniforms, arms and munitions for the defence force, most of which have been produced locally.

In order to assist new industries, an organization known as the Industrial Development Board, capitalized at £5,000,000, was formed under government auspices to foster and if necessary finance infant industrial undertakings.

#### BUILDING

Building activities in the Union reached their height in April and in the following months fell sharply. The total value of building plans passed in the month of October was £610,171 in comparison with £1,043,314 for December, 1939.

In the urban area of Cape Town, 2,983 building plans, representing a value of £1,969,978, were passed by the City Council. These figures reveal a decrease of £857,275 as compared with 1939 when 3,457 plans, with a value of £2,827,253, were approved.

#### FOREIGN TRADE

The total value of the foreign trade of the Union, excluding gold bullion, was £137,717,446 in 1940 as compared with £117,540,219 in 1939. Merchandise exports were up from £26,494,104 to £33,262,827, while imports also registered an increase from £91,046,115 to £104,454,619.

With the disappearance of European markets, trade has increased with most other parts of the world. In addition to the agricultural and mineral raw products exported before the war, some trade has now been developed in industrial articles; on the other hand, overseas markets for luxury products, such as deciduous fruit, have been lost.

Figures regarding the movement of merchandise in and out of the different ports of the Union are no longer published.

#### RAILWAY EARNINGS

According to present indications, the budget of the state-owned railways, which have a monopoly of inland transportation, will show a surplus of at least £2,000,000 for the financial year which ends on March 31. For the first seven months of this period the surplus exceeded £1,500,000, and there is no indication that there will be any decrease in the rate of earnings during the balance of the twelve months.

The year has been a record-setting period for the Railways and Harbours Administration. Eight new high points for earnings were established towards the end of 1940. The total income for the week ended November 23 amounted to £767,017; in the following period that figure was exceeded, income rising to £771,306. In successive periods there was a further upward movement to an all-time high figure of £808,604.

#### GOVERNMENT REVENUE AND FINANCE

Union revenue increased under all heads during the nine months ended December, 1940, the total being £38,362,913 in comparison with £30,123,201 in the corresponding previous period. Receipts from inland revenue rose from £16,504,875 to £23,737,848 and customs and excise collections from £9,355,386 to £10,248,120, while income derived from posts and telegraphs advanced from £4,262,940 to £4,376,945.

The budgetary position of the Union remains strong. So far the war has cost the country £51,000,000. Not only has an army of approximately 120,000 been armed and equipped but an external loan has been redeemed. To raise £18,000,000 required for war purposes, two internal loans were successfully floated on October 23, one issued at 99½ bearing interest at 3½ per cent and repayable 1952-57 and the other of 2½ per cent issued at 99 and repayable in 1946. At the same time an appeal was made for interest-free loans for the duration of the war.

The normal national expenditure and revenue in pre-war days was about £45,000,000 a year, of which £2,000,000 was for defence. During the current year war expenditure has grown to £46,000,000, in addition to £5,000,000 for the same purpose which had been utilized in the preceding fiscal year. The additional funds were raised from three sources. The first was the proceeds of taxation on a pre-war basis. Including revenue from the revised method of gold taxation, which yielded £3,500,000 more than under the old formula, the Government obtained £13,250,000 from this source. The second source was new taxation, which produced over £16,250,000. Together these met about £30,000,000 of the war expenditure, which has thus been financed on a pay-as-you-go policy. There remained to be found about £21,000,000, which was raised by borrowing. This sum included what was needed for normal requirements, such as railways and harbours, irrigation works, national roads and housing schemes, representing an outlay of about £15,000,000. All of these sums for war and non-war purposes were realized locally and, as they were spent for the greater part within the Union, they gave an added impetus to business in general.

At the session of the Union Parliament, which re-convened on January 27, an additional £14,000,000 was asked for defence purposes, thus making a grand total of £60,000,000.

#### BANKING

The banking situation continued to be satisfactory in 1940. The note circulation of the Reserve Bank, which stood at £19,800,390 on January 5, 1940, increased to £22,837,626, while the Bank's bankers' deposit account rose from £24,457,894 to £43,537,053. The total liabilities to the public of all banks were £147,313,610 at the end of October.

The statements of the commercial banks reflect a shrinkage of private business activity in the Union which has, however, been outweighed by the expansion resulting from expenditure for defence. Bank clearings for the larger centres for the first eleven months of 1940 totalled £929,836,869, as compared with £846,047,719 during the same period of 1939.

An Electricity Supply Commission loan of £1,500,000, issued at £99 per cent and bearing interest at 3½ per cent, was put on the market in December. The loan, which is redeemable 1960-1965, was fully subscribed within one hour.



## SALE OF WHOLE-MEAL BREAD IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, February 6, 1941.—The Ministry of Food announces that it has arranged with United Kingdom millers and bakers for the immediate production of whole-meal flour and bread in quantities sufficient to meet all demands. The flour will be of 85 per cent extraction, which compares with 73 per cent for ordinary white flour. It is claimed that the new national whole-meal flour will produce a more nutritious loaf.

The Ministry of Food is satisfied, after research by its experts, that 85 per cent extraction flour provides maximum digestibility and nutriment. Steps will be taken to ensure that the new bread is available everywhere and at the same price as white bread. The latter is now 8d. per 4-pound loaf and the Government is providing a subsidy so that the price shall be kept at this level. Special breads, such as those containing more fat, which are popular in the North of England, may be sold for more than 8d., but these do not then qualify for the subsidy.

The decision to make a standard whole-meal loaf available in large supply was taken because it was found that a substantial proportion of the population desired it. Existing brown breads vary in quality and character. The new loaf will be a standard product.

The Ministry is still pursuing its scheme for introducing flour reinforced with manufactured vitamin B1, but it is not expected that the new flour will be put on the market for some months.

The Ministry of Food has announced the conditions upon which the bread subsidy referred to above can be claimed. These have been designed to simplify payment during the first three months.

The subsidy will be paid to the actual baker of the bread, whether wholesale or retail, and not to the bread seller, who may obtain his bread from a wholesaler. It will be paid at the rate of  $\frac{1}{2}$ d. a quartern on all bread sold at or below the following retail prices: 8d. a quartern; 4d. a 2-lb. loaf;  $2\frac{1}{4}$ d. a 1-lb. loaf; and, in Scotland and Northern Ireland only,  $3\frac{1}{4}$ d. for the loaf weighing 1 lb. 12 oz. Bakers who sell part of the bread they make at higher prices than these will not be disqualified from receiving subsidy on bread sold at the above prices or less.

Bread of the same types sold as part of a meal in a catering business carried on by the baker, or supplied by a wholesaler to a customer, but not for re-sale as complete loaves, will qualify for subsidy. Bread sold to the fighting forces will not rank for subsidy. Stale or damaged bread not sold for human consumption and bread used for the manufacture of other foodstuffs must be excluded from subsidy claims.

The subsidy will be paid only if the baker is prepared to sell bread made from brown wheatmeal (of 85 per cent extraction) or other whole-meal flour at the same price as other subsidized white bread.

## CONDITIONS IN THE AUSTRALIAN FRUIT INDUSTRY IN 1940

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(All values shown are in pounds Australian)

Sydney, January 31, 1941.—The operations of the Australian Fruit Industry Sugar Concession Committee have assumed increased importance since the commencement of hostilities, particularly in connection with overseas marketing and Empire supply.

This committee is composed of representatives of the Commonwealth Government, Queensland Sugar Board, jam fruit growers, canning fruit growers, proprietary manufacturers of fruit products, and co-operative and State manu-

facturers of fruit products. Among other important activities, it is responsible for establishing each year the minimum prices which may be paid for fresh fruits by manufacturers.

Of interest to Canadian manufacturers and fruit producers is the method adopted by the Commonwealth Government to render special export assistance to the canned fruit industry in the Commonwealth by means of rebates on domestic sugar content.

#### AID TO CANNED FRUIT INDUSTRY

The value of the Committee is indicated by the extension of its life in May, 1940, for a further period of five years from September 1, 1941, until August 31, 1946, and by a continuance of the statutory contribution to the Committee's funds by the Queensland Government, on behalf of the Australian cane-sugar industry, this amount at present being £216,000 per annum. This sum is repayable to manufacturers of completely processed fruit products by means of (a) a domestic sugar rebate of £2 4s. per ton in respect of the Australian refined cane sugar used by such manufacturers, provided such manufacturers pay the prices for fresh fruit laid down by the Committee; (b) by means of an export sugar rebate which varies monthly in accordance with world sugar prices. Of the foregoing amount the Committee reports that for the year ended August 31, 1940, a record sum of £78,195 was refunded in respect of increased exports of jams and fruit jellies, largely due to contracts for supplying the needs of the fighting forces overseas, and that £94,215 was expended on domestic sugar rebate. The latter figure indicates a consumption of 42,825 tons of sugar during the year in the manufacture of fruit products, which was 8,295 tons in excess of any previous year. The total sum expended on all forms of special export assistance during the year was £25,059, this amount being largely applicable to payments on late shipments of 1939 canned fruits and the 1940 season's jam exports.

It is of interest to note that the administrative expenses of this important committee amounted to 0·372 per cent of the total expenditure, the average cost during the whole life of the Committee being 0·385 per cent.

The rebates mentioned are applicable to fruit products approved by the Committee, these being jams and fruit jellies, canned fruits, fruit salads, citrus peel, crystallized fruits, certain fruit chutneys and certain fruit cordials; such items as tomato products not being entitled to rebate. The domestic sugar rebate is payable only to those manufacturers who use each year at least twelve tons of refined cane sugar for all manufacturing purposes, of which quantity not less than six tons must be used in the manufacture of approved fruit products.

Similarly it is specified that approved fruit products are required to be substantially composed of Australian fruit, fruit pulp, fruit juice or pure fruit essence; e.g., fruit cordials must contain a minimum of 20 per cent by weight or volume of Australian fruit, or its equivalent in the form of juice or essence; and fruit chutneys 75 per cent by weight of Australian fruit, excepting the cane-sugar content, and proof of such content must be produced.

It is further specified that imported materials of any kind (colouring, flavouring, etc.) may not be used in fruit production on which domestic sugar rebate is claimed, unless similar Australian materials are not available.

#### STABILITY IN PRICES

The efforts of this Committee have undoubtedly served to establish a marked stability in prices for both fresh and canned fruit. This is evident in the following table which shows minimum prices declared by the Committee to be reasonable prices for fresh fruits of the 1940 season's crop and average minimum prices from 1932 to 1940:—

	1940 Minimum Prices		1932-40 Average Minimum Prices	
	Canning Fruit	Non-canning Fruit	Canning Fruit	Non-canning Fruit
	Per Pound		Per Pound	
	d.	d.	d.	d.
Blackcurrants . . . . .	3½	3½	3.10	2.82
Gooseberries . . . . .	2	1½	1.43	1.18
Kentish cherries . . . . .	2¼	2¼	2.125	2.125
Loganberries . . . . .	3	2½	2.50	2.00
Raspberries . . . . .	3½	3	3.125	2.625
Red currants . . . . .	2½	2½	2.5	2.5
Strawberries . . . . .	5½	5	4.19	3.69
	Per Ton		Per Ton	
	£ s. d.	£ s. d.	£	£
Oullins . . . . .	9 0 0	9 0 0	9.0	9.0
Other . . . . .	13 0 0	11 0 0	11.4	9.11
Peaches:				
Clingstone—				
Clear centres . . . . .	12 0 0	9 0 0	10.8	7.11
Other . . . . .	11 0 0	9 0 0	10.14	7.11
Pears:				
Freestone . . . . .	9 10 0	9 0 0	8.06	7.12
Bartlett . . . . .	12 0 0	12 0 0	9.89	9.89
Keiffer . . . . .	10 0 0	10 0 0	8.33	8.33
Packham . . . . .	11 0 0	11 0 0	11.0	11.0
Plums . . . . .	8 0 0	8 0 0	6.66	6.66
Quinces . . . . .	8 0 0	7 0 0	6.66	6.55
Pineapples:				
4 in. or more in diameter, "tops off"	8 11 8	8 11 8	8.47	8.47
Less than 4 in. in diameter, "tops on"	0 4 1½	0 4 1½	3s. 8d.	3s. 8d.

NOTE.—Berry fruit prices are for delivery at factory. Pineapple prices are at grower's railway station, but manufacturers must pay freight and cartage on fruit bought at markets. For all other fruits, canning prices are at grower's railway station or country cannery and non-canning prices at metropolitan factory, except that, for non-canning fruit delivered at country factories, the prices are £1 per ton less than those stated above.

It should be realized, however, that the foregoing table represents merely minimum prices, as each year certain kinds of fruit, due to short crops, may be purchased by factories at higher prices, and these minimum prices have generally been higher than those which obtained prior to 1931, when the Committee was formed.

It is considered that the protection for growers and stability of prices has been largely responsible for the great increase in growers' production, especially of canning fruits, since 1931. According to figures supplied by the Commonwealth Statistician 101,807 tons of fresh fruit valued at £1,099,368 were purchased by Australian canners during the year 1938-39 as against 67,797 tons valued at £564,000 during 1930-31, the year prior to the establishment of the present system. The over-all average price in 1938-39 was £10.8 per ton as compared to £8.32 in 1930-31, an improvement of 29.8 per cent, while it will be noted in the above table that still higher increased prices were approved by the Committee for the 1940 season.

It is also of interest to note that the average of monthly rates of rebate paid by the Committee during the year under review represented the sixth successive annual decline in such rates, indicating a further improvement in world sugar prices upon which the rates of export sugar rebate are based. A comparison of the average rates per ton since the Committee was established is as follows:—

Committee Year	For Exports to New Zealand		For Exports to All Other Destinations	
	Rates per Ton		Rates per Ton	
	£	s. d.	£	s. d.
1931-32 . . . . .	17	16 8	17	16 8
1932-33 . . . . .	17	11 6	17	11 6
1933-34 . . . . .	6	0 8	18	11 10
1934-35 . . . . .	7	1 11	20	6 0
1935-36 . . . . .	6	9 8	19	10 2
1936-37 . . . . .	5	12 8	18	11 0
1937-38 . . . . .	5	6 6	18	6 10
1938-39 . . . . .	4	9 6	16	13 6
1939-40 . . . . .	1	6 10	9	17 8



## APRICOTS, PEACHES AND PEARS

The annual report issued by the Sugar Concession Committee shows that the determined minimum prices for canning quality fruit for the 1940 season were higher than those prescribed for 1939 by £1 per ton for apricots, £2 10s. for peaches, and £2 for pears, while non-canning prices increased by £1 for apricots and £3 for peaches. This rise in price was largely due to the increase in growers' production costs, caused by higher wages under an Arbitration Court award and higher costs of certain materials.

Fortunately for Australian growers the carryover of unsold stocks into the 1940 processing season was merely nominal; while the general marketing position was greatly improved by the decision of the United Kingdom Government to purchase surplus Australian canned fruits available for export. In this connection the Committee emphasized that the minimum prices for fresh fruit fixed by the Committee for 1940 were such that the resultant export-quality canned fruits could have been profitably sold to the United Kingdom at and pears in 1940; though the increase in the canned pear pack was largely due to a substantial diversion to canneries of supplies of Bartlett pears which appreciably less than the prices actually paid by the United Kingdom for similar imports of canned apricots, peaches and pears from Canada and the United States.

This decision coincided with a record pack in Australia of canned apricots previously had been marketed as fresh fruit for export to the United Kingdom. This resulted from government regulations whereby the export to the United Kingdom of this variety of pears was prohibited by the Commonwealth. On the other hand the 1940 pack of canned peaches was much less than that of 1939.

Naturally the declaration of war in September, 1939, seriously disrupted Australia's important canned fruit trade with the United Kingdom, which normally takes 50 per cent of Australia's exports, and the system of import control instituted by the United Kingdom in March, 1940, has, of course, resulted in only limited supplies, drawn principally from Australia, being admitted into Great Britain since that date.

As previously reported, the arrangement between the Australian and British Governments whereby Australia's 1940 exportable surplus would be permitted import into the United Kingdom has served to liquidate in a large part the available export surplus. At the same time sales within Australia have been maintained at a high level, the requirements of the fighting forces having appreciably improved local sales, while the Canadian and Far Eastern markets have more than counterbalanced the effect of the New Zealand import restrictions.

The Committee further report that the present Australian stock position is extremely sound and is expected to continue so during the 1941 season, though much depends on the needs of the United Kingdom and the availability of shipping space. At the time of writing the intentions of the United Kingdom Government in regard to imports of canned fruits have not been officially published, but particular attention is being devoted by the Commonwealth Government to maintaining the stability in evidence during the year under review.

## PRODUCTION AND EXPORTS

The combined output of the three fruits was equivalent to 2,587,275 cases, each containing two dozen 30-ounce cans. It was the smallest since 1937 and some 443,000 cases less than the record production of 1938.

According to figures issued by the Sugar Concession Committee, the production, exportation and domestic consumption of canned apricots, peaches and

pears, in terms of cases of two dozen 30-ounce cans each, were as follows in the calendar years 1939 and 1940:—

Calendar Year	Production Cases of Two Dozen 30-Ounce Cans	Exports Dozen 30-Ounce Cans	Australian Consumption (Based on Sales to Distributors)
1939 . . . . .	2,708,195	1,759,921	1,261,877
1940 . . . . .	2,587,275	933,592 <sup>1</sup>	1,200,000 <sup>2</sup>

<sup>1</sup> To October 31, 1940, only; <sup>2</sup> estimated.

Exports of canned apricots, peaches and pears by destinations in the calendar year 1939 and the January-October period of 1940, as shown in the Committee's figures, were as follows:—

	United Kingdom	New Zealand Cases of Two Dozen 30-Ounce Cans	Canada	The East	Other Countries	Total Exports
1939 . . . . .	1,591,050	80,241	52,872	29,942	5,816	1,759,921
Jan.-Oct., 1940 . .	750,999	50,061	74,171	53,631	4,730	933,592

### PINEAPPLES

The pineapple situation is reported by the Committee to be very satisfactory, the factory intake from the 1940 summer crop being within 8 per cent of the record established in 1939. The disposal of this pack was greatly aided by the rapid clearance of stocks from the previous year and improved domestic and export demand during the year under review. The 1940 winter pack has, however, been seriously reduced, due principally to adverse climatic conditions, including a long drought. Present stocks, therefore, are likely to fall below domestic requirements after provision has been made for overseas commitments in Canada and the United Kingdom, and no carryover of stocks is expected into next season.

Quantities of canned pineapples produced and exported in the calendar years 1938 and 1939 were as follows:—

Calendar Year	Production Cases of Two Dozen 30-Ounce Cans	Exports Dozen 30-Ounce Cans	Australian Consumption <sup>1</sup>
1938 . . . . .	358,594	74,785	283,899
1939 . . . . .	388,311	93,015	295,296

<sup>1</sup> Consumption is assumed to be the difference between production and exports.

By destinations, the quantities of canned pineapples exported in the calendar year 1939 and the January-October period of 1940 were as follows:—

	United Kingdom	New Zealand Cases of Two Dozen 30-Ounce Cans	Canada	Other Countries	Total Exports
1939 . . . . .	57,157	673	34,036	1,149	93,105
Jan.-Oct., 1940 . .	36,500	62	34,652	200	71,414

### BERRY FRUITS

For berry fruits conditions are extremely satisfactory throughout the Commonwealth with the market in a healthy condition. Owing to European supplies of berry pulps being unavailable to British jam manufacturers there appears to be an excellent prospect for disposal of Australia's surplus, though here also the difficulty in regard to adequate shipping space makes the future somewhat uncertain.

Sales during the year under review are reported by the Committee to have been satisfactory both as to volume and prices, and the main portion of Australia's surplus production had been shipped to the United Kingdom before any serious shortage in space had developed.

Export figures of berry pulps (Tasmanian exports) for 1939 and the January-October period of 1940 are as follows:—

	Raspberry Pulp Tons	Blackcurrant Pulp Tons	Other Kinds of Berry Pulp Tons	Total Exports Tons
1939.....	860	805	3	1,668
Jan.-Oct., 1940 .. . . .	832	817	8	1,657

### JAM FRUITS

Exports of jam during 1939-40 at 10,913 tons were greater than in any year since 1919-20, being 80 per cent in excess of the previous year and 1,400 per cent greater than during the first year of the Committee's operations. This great increase is, of course, mainly a result of war conditions. The United Kingdom absorbed the bulk of Australia's available exports, and there was a considerable increase in shipments to the Middle East and Asia. Despite United Kingdom import restrictions, movement of jam stocks to Great Britain has continued, though a recent temporary cessation of exports resulted from shortage of shipping space.

On the basis of trading experiences during the war of 1914-18, it is anticipated that supplies of jam will continue to be required in much greater volume than under peace conditions; but here also the controlling factor is availability of shipping.

The following table shows the exports of jams and fruit jellies by destinations in the last two processing seasons, 1938-39 and 1939-40, the figures indicating the substantial increase in the latter season already noted:—

	1938-39 Tons	1939-40 Tons
Total.....	6,192	10,913
United Kingdom .. . . .	5,184	8,878
Ceylon .. . . .	71	215
Hongkong.. . . .	81	136
India .. . . .	359	646
Malaya (British) .. . . .	108	445
China .. . . .	56	39
Netherlands East Indies .. . . .	100	158
Pacific Islands .. . . .	138	204
Philippine Islands .. . . .	50	44
Other countries .. . . .	45	148

### AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on March 17 regarding the wheat and flour situation in Australia as follows:—

Deliveries of wheat to the Australian Wheat Board from the beginning of the season to February 15 aggregated 62,185,000 bushels. Including the carry-over, there are estimated to be only 22,000,000 bushels of wheat available for export for the remainder of the season. Sales from January 1 to February 15 were 10,250,000 bushels, of which 500,000 bushels were for export. Shipping problems are interfering with wheat and flour exports.

The Wheat Board's quotation on wheat to millers is approximately 69 cents a bushel seaport basis. The distributing price to the trade is 73 cents per bushel for less than 1,000 bushels and 69 cents for over 1,000 bushels.

Approximate prices per short ton authorized by the Wheat Board for wheat flour in 49-pound calico bags f.o.b. Sydney for shipment to Shanghai are equivalent in Canadian currency to \$42.60; to Indo-China and Hongkong, \$39.42; to the East Indies, \$35.90; to Burma, Malaya, Manila, Colombo and Mauritius, \$32.55. The price of flour delivered Melbourne and suburbs on the basis of 2,000 pounds per ton is approximately \$44.88.



**MARKET IN IRELAND FOR RUBBER MANUFACTURES**

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, January 28, 1941.—Owing to the shutting-off of European supplies, the probable growing reduction in exports from England, and the small capacity of local industry, there is a demand at present in Eire for many rubber lines that are of interest to Canadian exporters. Local output is confined to that of the Irish Dunlop Company, whose plant at Cork produces motor and cycle tires and tubes, repair kits, boots and shoes, hot-water bottles and tennis and golf balls.

Figures of domestic production have not been available since 1938. For that year and the two previous years the official statistics are as follows:—

	1936	1937	1938
Motor covers . . . . .	£247,807	£269,893	£233,779
Motor tubes . . . . .	39,454	34,179	27,754
Cycle covers . . . . .	49,263	82,810	56,314
Cycle tubes . . . . .	17,256	23,335	18,130
Rubber boots and shoes . . . . .	85,541	117,120	114,445
Rubber soles and heels . . . . .	.....	11,098	12,229
Other rubber goods . . . . .	9,127	10,264	11,569

**AUTOMOTIVE PRODUCTS**

The market in Eire for tires and tubes is large but is limited by import quotas, and the demand is only for those sizes not made locally, i.e., large and odd sizes. Patches and blow-out gaiters are saleable if prices are competitive with United Kingdom offerings. There is a fair market for car mats, pedal and brake covers, inflator tubing, washers, corrugated radiator hose, and door silencers. It is limited in most cases by the different makes of cars in use and bought direct by the car assemblers, except for English cars, the fittings for which are supplied by the principals. There is also a demand for rubber fan belts for cars.

**FOOTWEAR**

In general, imports of footwear are governed by import quotas, which are reported on from time to time for publication in the *Commercial Intelligence Journal*. A number of lines continue to enter the country, however, in fair quantities, chiefly golf overshoes, Wellington boots, goloshes, ladies' ankle boots, and certain of the best types of tennis shoes. Rubber soles and heels and tips are made locally under licence of the well-known firm of Phillips Limited, and there is now no opportunity of these lines being imported.

**CLOTHING**

Generally speaking, imports of rubber clothing are confined to all-rubber drizzle capes, babies' pants and bibs, bathing caps, household gloves, and bed sheeting both for hospital and household use. There is little import trade in athletic supports, trusses, abdominal belts, elastic stockings, corsets and the like, as there is not sufficient business offering to interest an agent in representing an exporter in this market. There is a demand for rubber-proofed single and double texture cloth for waterproof-coat manufacturing. This has always been obtained from the United Kingdom, and there are no local proofing plants. As there is now a shortage of supplies from the former source, the local requirements are all the greater. The demand is for cloth 60 inches wide in 50-yard bales of 20 ounces to the square yard proofing for the double texture cloth and 8 to 10 ounces for single. Eight factories in Eire are producing waterproof clothing. The Dunlop Company does not make waterproof clothing in this country.

### HOUSEHOLD PRODUCTS

The principal item under this heading is floor coverings, the demand being for long-length flooring  $\frac{3}{16}$  inch to  $\frac{1}{4}$  inch thick and 3, 4 and 5 feet wide. Until very recently the bulk of this material came from the United Kingdom, and the remainder from the United States. Mats of many types are used, chiefly floor mats. Stair treads are not in use, but there is a small demand for rubber nosing for stairs for use with linoleum; it is shaped to fit the edge of the stair, with a canvas flange for attachment. There is a small market only for crepe-rubber cushions, except the type used by the railway companies, which are made from latex and imported by the local Dunlop Company from their United Kingdom factory. There is a small demand also for kneeling pads, plugs, bath sponges, bath mats, bath sprays (very small) and other bathroom accessories.

### SURGICAL PRODUCTS

There is a good demand for surgeons' rubber gloves, of which Canada at present supplies about 50 per cent of the total imports. The following also are fair selling lines: catheters, drainage tubing, air-rings, enema equipment, and syringes. Dental rubber is in good demand and comes mainly from the United States, but Canada should be able to compete if prices are competitive.

### HOSE AND BELTING

Garden and car-washing hose ( $\frac{1}{2}$  inch and  $\frac{3}{4}$  inch) is in good demand. Delivery hose ( $\frac{1}{2}$  inch to 1 inch) for heavier service is also saleable, as well as hose for air-raid-precaution and other fire-prevention purposes. Railway companies use vacuum-brake hose and hot-water hose in fair quantities, importing direct under tender contract by the year. The United Kingdom firms do most of this trade. Sales of balata belting are falling off because of an increase in the use of direct-drive machines in Eire. Apart from its use in connection with the operation of automobiles, the demand for transmission rubber belting is small.

### TOYS

There is a good demand for rubber balloons, chiefly in those lines retailing at  $\frac{1}{2}$ d. and 1d. Plain and advertising balloons are sold, the latter carrying printed matter to meet the special requirements of various firms. These are usually ordered in summer for the Christmas trade. There is a fair demand for fancy painted inflated playballs from 2 to 6 inches in diameter, sponge rubber balls retailing at 3d. and 6d., dog bones, dolls, and animal toys (formerly obtained from Czecho-Slovakia).

### TRADE CONTACTS

With respect to the marketing of nearly all the items of rubber manufacture covered by this report, the local (Irish) agent, carrying samples and in a position to supply readily information concerning prices to buyers, so that they can compute their landed costs, is best able to obtain orders. Stock reserves are not necessary, but delivery dates are important. At present this is a seller's market, and terms are not so important.

### IMPORT TARIFF

Following are the import duties on rubber and rubber manufactures entering Eire; Canadian products accompanied by the appropriate certificate of origin and shipped in accordance with prescribed regulations are accorded preferential tariff rates:—

	Unit	Full Rate	British Preferential Rate
Raw rubber . . . . .	....	Free	Free
Rubber, in sheets, threads, etc. . . . .	....	Free	Free
Hose of a combination of rubber and canvas, wired internally . . . . .	Ad val.	50%	50%
Piping and tubing of rubber, or rubber and other materials, armoured or not . . . . .	....	Free	Free
Rubber compounds, liable to duty . . . . .	Lb.	2s. 6d.	2s. 6d.
Rubber adhesive solutions . . . . .	Ad val.	50%	50%
Boots, rubber, rubber-proof, rubber coated, exceeding 9 in. in length from heel to toe on outside . . . . .	No.	2s.	2s.
Boots, rubber, rubber-proof, rubber coated, not exceeding 9 in. in length from heel to toe on outside . . . . .	No.	9d.	9d.
Shoes, not of leather or skin in upper, with soles of rubber . . . . .	No.	6d.	6d.
Boots and shoes, component parts and accessories: Soles, heels, uppers and parts of same, shaped, of rubber . . . . .	Ad val.	40%	40%
Other soles of rubber . . . . .	No.	4d.	4d.
Other heels of rubber . . . . .	No.	2d.	2d.
Tips, studs and other protectors of rubber . . . . .	No.	1d.	1d.
Bedding . . . . .	....	Free	Free
Floor coverings . . . . .	....	Free	Free
Hot-water bottles . . . . .	No.	9d.	6d.
Golf balls . . . . .	No.	9d.	6d.
Lawn-tennis balls . . . . .	Ad val.	50%	50%
Other balls . . . . .	Ad val.	15%	10%
Toys . . . . .	....	Free	Free
Tires, pneumatic—			
Motor cars and motor tractors . . . . .	Ad val.	33 $\frac{1}{3}$ %	33 $\frac{1}{3}$ %
Motor cycle and motor tricar . . . . .	Ad val.	33 $\frac{1}{3}$ %	33 $\frac{1}{3}$ %
Cycle . . . . .	....	Free	Free
Vehicles for animal traction . . . . .	Ad val.	75%	50%
Perambulators and the like . . . . .	Ad val.	75%	50%
Other vehicles . . . . .	....	Free	Free
Tires, solid:			
Motor vehicle . . . . .	Ad val.	33 $\frac{1}{3}$ %	33 $\frac{1}{3}$ %
Steam vehicles, cut to size . . . . .	Ad val.	10%	10%
Vehicles for animal traction, cut to size . . . . .	Ad val.	75%	50%
Perambulators, etc., not cut to size . . . . .	....	Free	Free
Other sorts of tiring . . . . .	....	Free	Free
Tubes:			
Motor cars and motor tractors . . . . .	Ad val.	33 $\frac{1}{3}$ %	33 $\frac{1}{3}$ %
Motor cycles and motor tricars . . . . .	Ad val.	33 $\frac{1}{3}$ %	33 $\frac{1}{3}$ %
Cycles . . . . .	....	Free	Free
Vehicles for animal traction . . . . .	Ad val.	75%	50%
Perambulators and the like . . . . .	Ad val.	75%	50%
Other vehicles . . . . .	....	Free	Free
Ladies' rubber capes . . . . .	Ad val.	60%	60%
Surgeons' rubber gloves . . . . .	....	Free	Free
Household rubber gloves . . . . .	Ad val.	40%	40%
Bathing caps of rubber . . . . .	Ad val.	25%	25%

## MARKET FOR RADIOS IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ACTING TRADE COMMISSIONER

Port of Spain, March 4, 1941.—Short-wave radios are in demand in this territory primarily as a means of receiving world news. Prior to the war, the Philips radio, manufactured in Holland, the Mullard and General Electric from the United Kingdom, and the R.C.A. Victor and Philco from the United States, were the principal makes sold. The values of imports into the three principal markets during the last pre-war year of 1939 were as follows:—

	Trinidad	Barbados	British Guiana
Total . . . . .	\$88,327	\$19,147*	\$40,995
United Kingdom . . . . .	23,828	456	1,701
United States . . . . .	55,740	7,046	23,499
European countries . . . . .	8,655	11,606	15,795
Canada . . . . .	104	10	.....

\* Includes Bermuda, \$29.00.



Since the war began imports from European countries and the United States have been stopped, and deliveries from the United Kingdom have tended to decline. Canadian firms are beginning to take advantage of this opportunity and initial shipments from three Canadian firms were received during the past year. Imports from Canada to date have not been sufficient to satisfy these markets and this office is in receipt of inquiries from established dealers for unrepresented sources of supply.

TYPES WANTED

The types in demand are 5- to 10-tube table models, with wave bands of preferably 13 to 570 metres, although receivers with a minimum 16-metre wave band would be acceptable. Some console models, and in Trinidad, at least, a moderate but increasing number of radiograms, are also being sold. The machines are proofed against tropical corrosion.

The electrical current in Trinidad is 115 volts 60-cycle A.C., but in British Guiana it is 110 volts 60-cycle A.C., and in Barbados, 110 volts 50-cycle A.C., single phase.

Radios are sold through retail distributor agents who hold the distribution rights in their respective colonies. These retailers sell either for cash or on deferred payment terms, and are in a position to give service. The radios are sold usually on the basis of a three months' guarantee.

The following prices of a well-known make of radio manufactured in England are representative of local retail prices in British West Indian currency, which is at a discount of 9½ per cent in terms of Canadian currency:—

	Deferred Payment	
	Cash	Terms
	British	West Indian Dollars
5-Tube set . . . . .	45.00	50.00
7-Tube set . . . . .	110.00	120.00
10-Tube set . . . . .	165.00	185.00
7-Tube radiogram . . . . .	225.00	240.00
10-Tube radiogram . . . . .	265.00	285.00

These prices include a high retail profit and the following British preferential rates of duty: Trinidad, 10 per cent ad val. on c.i.f. value; Barbados, 10 per cent ad val. on f.o.b. value; British Guiana, 16½ per cent ad val on c.i.f. value plus 3 per cent ad valorem entry tax.

Further details may be obtained from the Department of Trade and Commerce, Ottawa (quote file No. 28608).

UNITED STATES HOG SITUATION

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, February 26, 1941.—Normally the hog situation in the United States would be of no interest to Canada. Because of the large commitments made by Canada for delivery of bacon to Great Britain, however, there has been an appreciable interest in United States developments during the last year or so.

During the hog marketing year October 1939-September 1940, supplies of hogs in the United States were larger than in any year since 1928-29 and hog prices declined to the lowest level since 1934. While Canadian hog production had been increasing in the latter part of 1939, output had not yet become sufficient to supply domestic requirements as well as the increased requirements for bacon for the United Kingdom. Low hog prices in the United States as a result of the large supply resulted in purchases of considerable quantities in that country by Canada.

Within the year, however, the situation has drastically changed. The unfavourable hog-corn ratio in the United States during 1940 resulted in a

considerable reduction in production. On the other hand the price of bacon, as set by the United Kingdom contract and the improvement in domestic demand in Canada, encouraged further expansion in Canadian hog production which had already received considerable impetus before the outbreak of war.

As a result of the former conditions, the number of hogs on farms in the United States at January 1, 1941, was only 52,983,000 head as against 60,207,000 head at the corresponding date of 1940. At the same time hog population in Canada increased to 6,117,000 head at December 1, 1940, the largest number on record, as against 4,770,000 a year earlier. While the increase in numbers in Canada is 28 per cent according to the December count, a further slight increase is expected in the spring pig crop and the total hog marketings in the first half of 1941 are expected to run about 35 per cent higher than in the corresponding period of 1940.

In the United States, although holdings are down only 10 per cent, excessive marketings during October-December suggest that marketings for January-September of this year will be 15 to 20 per cent smaller than during the corresponding months of 1940.

The result is that hog prices in the United States have increased. The average price received by farmers throughout the United States was \$7.26 per 100 pounds in January, 1941, as against \$5.18 per 100 pounds in January, 1940. As against this rise, the price of No. 3 yellow corn has increased from 58 to 68 cents per bushel during the same period. Despite the advance in current prices, the hog-corn price ratio has improved. At present the cost of 12.1 bushels of corn is equivalent to the price of 100 pounds of hog as against only 9 bushels a year ago. This will tend to increase the production of pigs, but little visible effect will be noted on marketings until early in 1942.

In the meantime, a growing market for Canadian pork products in the United States should exist throughout 1941. Present Canadian prices to the farmer average between \$7.60 and \$8.60 delivered at the packing plant, which means that even the top quotations, when converted into United States currency, are probably lower on a comparative basis than are American prices.

The duty on live hogs entering the United States from Canada is 1 cent per pound. The duty on fresh and chilled pork is 1½ cent per pound, that on frozen pork 2½ cents per pound, while that on hams, shoulders and bacons, not cooked, boned or canned is 2 cents per pound. Pickled and salted pork, not cooked, boned or canned also pays the latter rate of duty.

## ARGENTINA'S IMPORTS FROM CANADA IN 1940

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, March 6, 1941.—The value of imports into Argentina from Canada was \$6,107,000 in 1940, an increase of \$1,990,000 over the figure of \$4,117,000 in 1939. Imports of newsprint to November 30 showed an increase of \$1,835,171 over 1939. Newsprint represented 60 per cent of imports from Canada last year and farm implements 19 per cent. The remaining 21 per cent was represented by seed potatoes, battery parts, calcium carbide, asbestos and manufactures, iron piping, copper wire, lumber, fresh apples, lanterns and mantles, etc., refractory bricks, automobile parts, brass valves, brushes, wall-board, silk thread, nickel, lightning fasteners, razor blades, rubber manufactures, hydrogenated vegetable grease, ferro-silicon, tools, kraft paper, telephone apparatus, films, lenses, wallpaper, wood pulp and several other items.

Canadian purchases from Argentina were valued at \$6,542,000 in 1940 as compared with \$4,406,000 in 1939. Exports to Canada in 1940, on the basis of trade returns to November 30, comprised cattle hides, 25 per cent of the total; corn, 24 per cent; flaxseed, 20 per cent; wool, 14 per cent; corned beef, 7 per

cent; quebracho extract, 5 per cent. The remaining 5 per cent consisted of broom corn, grapes, meat extract, glycerine, casein and a few other minor items.

The trade balance of \$435,000 in favour of Argentina in 1940 may be converted into a balance favourable to Canada in 1941 as the result of increased imports of newsprint from Canada.

The market situation in Argentina, as it affects the principal commodities admissible from Canada under the existing Argentine import regulations, is described in the following paragraphs.

#### NEWSPRINT

Argentina imported 139,199 tons (of 2,000 pounds) of newsprint during 1940 as compared with 160,795 tons in 1939. Purchases from Canada increased to 80,161 tons from 35,966 tons in the previous year. The following table shows by countries the quantities imported for the years 1937 to 1940:—

#### *Argentine Imports of Newsprint by Quantity*

	1937	1938	1939	1940
		Tons of 2,000 Pounds		
Canada . . . . .	71,253	39,765	35,965	80,161
Newfoundland . . . . .	.....	.....	1,701	20,313
United States . . . . .	.....	.....	113	640
Sub-total . . . . .	71,253	39,765	37,779	101,114
Finland . . . . .	46,484	49,315	59,846	14,280
Norway . . . . .	35,661	22,041	21,106	12,605
Sweden . . . . .	29,338	18,887	29,581	11,029
Sub-total . . . . .	111,483	90,243	110,523	37,914
Germany . . . . .	3,055	8,770	12,493	171
Others . . . . .	187	468	.....	.....
Total . . . . .	185,978	139,246	160,795	139,199

The only arrivals of newsprint from Europe during the last half of 1940 were several lots from Finland out of the port of Petsamo. A Finnish steamer arrives from Petsamo every three to five weeks with Finnish newsprint, wood pulp, cardboard, plywood and other wood products. It is reported that two steamships monthly will be coming shortly from Sweden. There has been no action taken towards curtailing the consumption of newsprint in Argentina.

#### WRAPPING PAPER

Argentina imported 7,841 tons of heavy wrapping paper of over 25 grams per metre in 1940 as compared with 7,146 tons in 1939 and 8,950 tons in 1938. Canada supplied 1,011 tons of this class of paper in 1940 and 2,365 tons came from the United States. This paper is used almost exclusively for making cement, lime and other similar bags. Sweden was the principal supplier until last May. Finland has been shipping some kraft paper.

Imports of light wrapping paper are small, as it is manufactured in Argentina. Arrivals amounted to 1,561 tons in 1940 as compared with 1,387 tons in 1937. Canada did not supply any of the requirements but the United States shipped 606 tons last year.

#### PAPERBOARD AND WALLBOARD

Canada shipped 52 tons of ordinary board and the United States 2,148 tons to Argentina in 1940. Total imports amounted to 9,783 tons in 1940. There are no import permits available now for wallboard from North America.

#### OTHER PAPERS

Argentina imported 32,211 tons of book and writing paper in 1940 as compared with 25,366 tons in 1939. Imports of toilet paper were 457 tons as against 897 tons. The United States was the supplier of toilet paper but this class of paper is now excluded under the Argentine import regulations.



**WOOD PULP**

There were 35 paper mills operating in Argentina in 1939 as compared with only 22 in 1935. The number of millhands employed increased from 2,643 to 4,002 during this period.

The following table shows the quantity of the basic raw materials used by the local paper mills in recent years:—

*Raw Materials Used for Paper-Making in Argentina*

	1939	1938	1937	1935
Cellulose—		Tons of 2,000	Pounds	
Home production .. . . .	23,038	16,276	2,006*	5,242*
Imported pulp .. . . .	33,333	29,501	47,913*	31,403*
Groundwood Pulp—				
Home production .. . . .	2,649	1,342	.....	.....
Imported pulp .. . . .	12,166	13,647	.....	.....
Sub-total .. . . .	71,186	60,766	49,919	36,645
Waste paper .. . . .	77,077	68,026	63,122	44,542
Rags .. . . .	1,316	1,569	2,032	377
Total .. . . .	149,579	130,361	115,073	81,564

\* Includes groundwood pulp.

Total imports of wood pulp for paper-making amounted to 33,805 tons in 1940 as compared with 52,176 tons in 1939. Scandinavia and Finland supplied 50,766 tons in 1939.

Argentina also imported 1,795 tons of wood pulp for the manufacture of rayon in 1940 as compared with 1,913 tons in 1939. Du Pont has a rayon factory in Argentina and the United States supplies its wood-pulp requirements.

Several Finnish steamers arrived from Petsamo between August and December, 1940, with Finnish wood pulp and paper. It is reported that two Swedish steamers monthly will be coming to South America shortly.

The home production of cellulose is from wheat straw. Du Pont has an interest in the factory. The increased cost of imported wood pulp and the decreasing home consumption due to adverse business conditions generally is causing the local paper mills concern.

**PAPER PRODUCTION IN ARGENTINA**

Argentine production of paper of all classes amounted to 128,798 tons in 1939 as compared with 117,579 tons in 1938 and only 73,883 tons in 1935. The absence of competition from the Scandinavian countries in the cheaper qualities of paper has given the local manufacturers an opportunity to increase their output and there was a still further increase last year from the figure shown for 1939.

The following table shows the quantities of the various classes of paper produced in Argentina in 1935, 1937, 1938 and 1939:—

*Argentine Paper Production*

	1939	1938	1937	1935
		Tons of 2,000	Pounds	
Total .. . . .	128,798	117,579	103,730	73,883
Paper—				
Book .. . . .	19,105	18,150	16,528}	16,311
Writing .. . . .	6,474	5,526	4,513}	
Wrapping .. . . .	57,940	52,786	45,274	31,342
Linings .. . . .	2,144	2,999	2,629	2,831
Toilet .. . . .	2,632	1,439	906	873
Other .. . . .	6,339	6,039	7,928	881
Cardboard—				
Grey .. . . .	17,136			
Corrugated .. . . .	4,945			
Leather .. . . .	1,288	18,297	16,398	13,880
Other .. . . .	909			
Bristol in fine board .. . . .	5,001	5,790	4,975	4,665
Boxes and bags, etc. .. . . .	4,885	6,553	4,579	3,100

## FARM IMPLEMENTS

The consumption of farm implements and machines has been seriously affected by the very low prices ruling in Argentina for agricultural products and the increasing volume of the unexportable surpluses of grain. The export outlook is not promising for 1941 and this is being reflected in the demand for farm machinery.

The total value of imports of agricultural machinery, including farm tractors, implements and parts, was \$5,927,000 in 1940 as compared with \$8,760,000 in 1939 and \$17,390,000 in 1938. Imports were subjected to severe quota restrictions during the latter part of 1939 and in 1940 imports of agricultural machines were placed on a 50 per cent quota basis. The purpose of the restrictions was to conserve dollar exchange, since the suppliers are Canada and the United States.

Argentina imported 1,098 combines in 1940 as compared with 2,342 units in 1939 and 3,212 units in 1938. Canada supplied 633 combines in 1939 and 648 units in 1938. Imports of other machines in 1940 as compared with 1939 and 1938 were respectively: farm tractors, 934 units, 1,070 and 5,041 units; binders and headers, 1,596, 2,126 and 3,016 units. Imports of seed drills were 3,739 units in 1939 as compared with 12,866 units in 1938; drills were subject to the quota restrictions in 1940.

Under the new import regulations effective March 7, 1941, agricultural implements and machinery, including parts, can only be imported from Canada and the United States against dollar exchange which the importer may purchase at the semi-weekly exchange auctions held by the Exchange Control Board. There will be a limited amount of exchange available for sale at these auctions and competitive bidders will be the importers of automobiles, trucks and other automotive products, typewriters, etc. (See list in *Commercial Intelligence Journal* No. 1937 (March 15, 1941), page 331.) It seems probable that there will be a further decrease in the imports of farm implements in 1941.

## SEED POTATOES

Canada shipped 155,862 crates or approximately 315,400 bushels of seed potatoes to Argentina during the past season as compared with 277,132 crates in the 1939-40 season. Argentina received approximately 100,000 bushels of certified seed this season in excess of the local demand at a satisfactory selling price. Local dealers have lost money this year.

Argentina exported 1,256,655 bushels of potatoes during 1940, this figure including 218,410 bushels of seed certified by the Argentine Ministry of Agriculture and 1,038,245 bushels of table stock. The certified seed exports in 1940 were distributed as follows: Uruguay, 193,513 bushels; Bolivia, 17,351 bushels; Paraguay, 6,425 bushels and Brazil, 1,100 bushels.

Uruguay was the principal outlet for Argentine table stock, taking 719,808 bushels; Brazil, 211,701 bushels; Paraguay, 72,175 bushels; Bolivia, 33,989 bushels; Venezuela, 550 bushels. Argentina produced an excellent crop of potatoes in 1940.

Imports of certified seed potatoes into Argentina by countries of origin in the seasons 1937-38 to 1940-41 have been as follows:—

*Argentine Imports of Certified Seed Potatoes*

	1937-38	1938-39	1939-40	1940-41
	Crates of Approximately Two			Bushels
Total.....	981,793	347,632	592,536	216,699
Canada.....	479,757	137,200	277,132	155,862
United States ..	15,710	20,800	88,675	60,837
Denmark .....	309,544	154,291	104,915	.....
Holland .....	18,414	17,045	83,514	.....
Estonia .....	52,839	11,601	32,300	.....
Germany .....	22,780	1,020	.....	.....
Latvia .....	.....	5,020	.....	.....
Eire .....	2,700	400	5,000	.....
Chile .....	.....	.....	1,000	.....
Other European..	80,049	255	.....	.....

## VARIETIES

Denmark was unable, of course, to compete last season with Canada and the United States with her Up-to-Date variety. There was formerly a demand for this variety at a price about U.S.\$1.50 to U.S.\$1.60, c.i.f. Buenos Aires. The Katahdin was the most popular variety last season, although the White Rose variety also had a following. The White Rose sales this season were at approximately U.S.\$1.00 per crate above the price paid for Katahdins. White Rose has an advantage in arriving earlier in the season than the Katahdin from Canada. Sales last season included 142,996 crates of Katahdins, 59,858 crates of White Rose from the State of Washington and a smaller quantity from Montana, 13,500 crates of Green Mountains or only 6 per cent of the total imports, and 345 crates of Irish Cobblers. The Katahdin and the White Rose are the only varieties for which there is a demand of any importance in Argentina.

Argentina has planted a large acreage in potatoes this season. Table prices have been very low in recent months due to the large crop last year. Growers planted 516,621 acres with first generation Katahdins and White Rose and approximately 27,000 acres with imported certified stock. There were excessively heavy rains during December and many of the fields were under water for a period. There are reports of serious damage from late blight to the crop in one of the important growing zones. This is the first appearance of late blight in any serious degree since 1914-15 when similar weather conditions prevailed. Few of the growers have spraying machines. It is too early to estimate the probable effect of the disease on the demand for imported seed next season. The Katahdins and White Rose are equally affected with the other varieties and there is no reason yet to believe so far that there will be any change in the demand as to varieties.

## IMPORTS FOR URUGUAY

Uruguay authorized the importation of approximately 160,000 bushels of certified seed potatoes this season for January-February planting. Imports have been between 150,000 and 160,000 bushels, including 75 per cent Katahdins and the remainder equally divided between the White Rose and Green Mountain varieties. Consequently, Argentina and Uruguay have taken together approximately 445,000 bushels of certified seed from Canada this season as compared with 504,527 bushels in 1939-40. Denmark supplied Uruguayan requirements last year.

## FRESH APPLES

Argentina imported 49,940 boxes of apples from the Pacific Coast this season as compared with 62,564 boxes in 1939-40, 71,639 boxes in 1938-39 and 68,200 boxes in 1937-38.

Canada supplied 45,510 boxes of the total of 49,940 boxes or 90 per cent of the season's imports. The Delicious is the only variety in demand in Argentina. Fresh apples are imported exclusively for the Christmas trade in Buenos Aires. The foreign population, mainly the American and English residents, are the principal consumers. The market readily absorbed the quantity that arrived this season. The consumption is unlikely to exceed 60,000 boxes in any season again.

The Argentine Government admitted fresh apples during the 1939-40 season for arrival to December 31, 1939, on a 100 per cent quota based on 1938-39 imports. On September 26 last, the Argentine Government announced that fresh apples would be admitted "without limitation" as to quantity from Canada and the United States for arrival before December 31, 1940. Apples form definitely a luxury trade in Argentina and are admitted largely because Argentina sells her fresh pears in North America during her export season. In view of the shortage of dollars in Argentina to pay for other than absolutely essential imports from North America, the outlook for sales being permitted next season



is obscure. Under the new import regulations fresh apples will be admitted providing the importers are willing to purchase the corresponding dollar exchange at the semi-weekly exchange auctions held by the Argentine Exchange Board.

#### ARGENTINE EXPORTS OF FRUIT

Argentina had a short crop of apples last season and exported only 244,098 boxes of fresh apples during 1940 as compared with 593,070 boxes in 1939. If it had not been for the short crop the loss of export markets in Europe would have presented a very serious problem. The Argentine export season begins in March. Exports to the United Kingdom amounted to only 13,078 boxes in 1940 as compared with 56,672 boxes in 1939. Brazil was the principal outlet, taking 125,502 boxes. Shipments to other markets were: United States, 20,360 boxes; Holland, 13,078 boxes; Italy, 4,015 boxes; Sweden, 11,508 boxes and Switzerland 33,993 boxes. Argentina will have a difficult problem marketing her apples this year, for Continental Europe took 438,788 boxes of Argentine apples in 1939 and only 62,594 boxes last year.

Exports of fresh pears during 1940 amounted to 640,609 boxes as compared with 1,417,173 boxes in 1939, when Continental Europe took 1,065,818 boxes. The United Kingdom accepted 50,060 boxes of pears last year as compared with 331,332 boxes in 1939. Argentina shipped 262,458 boxes of pears to the United States in 1940 as compared with only 96,831 boxes in 1939. The United States and Brazil are the only two important markets still open for Argentine pears. Brazil took 214,366 boxes in 1940.

#### ASBESTOS

Argentina imported 3,657 tons of asbestos fibre in 1940 as compared with 3,077 tons in 1939 and 1,161 tons in 1938. There are now three important asbestos manufacturing plants operating in Argentina. They produce pipes, sheets, etc. This is a new industry.

Imports of asbestos fibre in 1938, 1939 and 1940 have been as follows:—

#### *Argentine Imports of Asbestos Fibre*

	1938 Tons	1939 Tons	1940 Tons
Total . . . . .	1,161	3,077	3,641
Canada . . . . .	30	1,257	285
United States . . . . .	211	257	1,645
Rhodesia . . . . .	470	742}	882
South Africa . . . . .	....	78}	
Soviet Russia . . . . .	....	200	100
United Kingdom . . . . .	450	543	729

There is likely to be a further increase in Argentine consumption of asbestos fibre in 1941. Canadian asbestos supplied 53 per cent of the requirements in 1940. Asbestos fibre and manufactures of asbestos will be admitted from Canada under the new Argentine import regulations subject to the local buyers purchasing the covering exchange at the semi-weekly exchange auctions, as described later in this report. Asbestos fibre which can be paid for in sterling, will be admitted without restriction.

#### LUMBER

The consumption of imported lumber in Argentina decreased by one-third in 1940 as compared with 1939. The building trades have been quiet as the result of conditions arising out of the war. Building costs have risen an estimated 20 per cent due to higher prices for both steel and lumber. The value of building permits issued last year was 17 per cent below 1939. Agricultural prices are low and there are less funds available for building, particularly in the interior centres of Argentina. On the other hand, there will probably be a tendency to transfer investment funds from bonds to real estate in 1941.

Imports of Douglas fir lumber from the Pacific Coast in 1940 were 25,264,000 board feet as compared with 37,071,000 board feet in 1939. Southern pitch pine imports decreased to 47,296,758 board feet or by 30 per cent from 1939. The consumption of pine lumber from Brazil at 109,041,387 board feet represented 52 per cent of the aggregate consumption of imported lumber last year as compared with 48 per cent in 1939. This Brazilian pine is comparatively cheap and consumers are finding more and more new uses for it each year. However, it cannot replace North American lumber when a strong or close-grained wood is required.

The following table shows the trend in lumber imports into Argentina in the last years:—

*Argentine Lumber Imports*

	1937	1938	1939	1940
	Bd. Ft.	Bd. Ft.	Bd. Ft.	Bd. Ft.
Total . . . . .	300,516,000	259,413,000	299,523,000	200,903,463
Pacific Coast—				
Douglas fir . . . . .	35,031,000	27,847,000	37,071,000	25,264,000
Pacific hemlock . . . . .	110,000	149,000	.....	13,000
Sitka spruce . . . . .	141,000	176,000	72,000	3,343,000
California white pine . . . .	1,988,000	1,682,000	2,698,000	1,235,000
California redwood . . . . .	20,000	.....	38,000	334,000
Gulf ports—				
Southern pitch pine . . . . .	89,147,000	70,127,000	65,800,000	47,296,758
Canadian pine . . . . .	14,000	10,000	15,000	n.a.
Brazilian pine . . . . .	121,343,000	106,574,000	143,872,000	109,041,387
European spruce, etc. . . . .	51,462,000	51,280,000	48,481,000}	14,376,318
Other softwoods . . . . .	1,260,000	1,568,000	1,476,000}	

Under the present import regulations in Argentina, lumber of Canadian or United States origin may be imported providing the buyer purchases the covering dollar exchange at the semi-weekly exchange auctions. The only wood products or manufactures of wood which may be imported now are Douglas fir and pine or spruce lumber, wood pulp and cask shooks. The competition in the latter is in oak shooks from the gulf ports. Neither plywood nor veneers will be admitted from the dollar area. It is expected that there will be a further decrease in lumber consumption in 1941.

CALCIUM CARBIDE

Argentina imported 10,732 tons of calcium carbide in 1940 as compared with 7,463 tons in 1939. Brazil supplied 116 tons of carbide in 1939 but otherwise all the carbide requirements came from Europe until May of last year.

In 1940 Brazil supplied 115 tons of carbide and from May onwards Canada supplied 1,544 tons; the United States, 656 tons; and Mexico, 182 tons. Import permits for carbide are available without restriction, irrespective of the country of origin, under the new Argentine regulations.

NEEDLES

Argentina imported 10,089 pounds of needles for looms in 1940 as compared with 9,719 pounds in 1939. Germany supplied 53 per cent of the import requirements in 1939; Canada, 18 per cent; and the United States, 11 per cent. Switzerland and the United Kingdom were the other suppliers in 1939.

Canada should be the principal supplier of these needles in 1941, as needles are now admitted from the dollar area without any restrictions under the new Argentine import regulations.

OUTLOOK FOR 1941

Argentina has had to restrict imports of manufactured goods from the dollar area, which includes Canada and the United States, due to the shortage of dollar exchange. Argentina is obliged to get along without those classes of manufactured goods which are not made at home, which are not obtainable from sterling countries, due to the war, and which cannot be paid for in the dollar area with Argentine exports or be purchased on credit.

Farm implements are the important item of import from Canada which is being adversely affected by the Argentine import restrictions and the reduced purchasing power of the farmers in Argentina. There are no restrictions on the importation of the other important items in Canada's export trade to Argentina, such as newsprint, certified seed potatoes, calcium carbide, battery parts, nickel, wood pulp, needles, etc. For a full list of the other essential items that are freely admissible from Canada see the report in *Commercial Intelligence Journal* No. 1937 (March 15, 1941), pages 330-332. Many of the essential items that Argentina requires at present, including the base metals and their semi-manufactures, may not be exported from Canada to Argentina due to the war.

Other important import items from Canada are admissible to Argentina subject to the buyer being able or willing to pay the required price for the corresponding dollar exchange at the semi-weekly exchange auctions held by the Argentine Exchange Control Board. A fixed amount of exchange is offered at auction. This exchange goes to the highest bidders among the interested importers and the exchange so purchased can be used to pay for specified products from the United States and Canada. The specified products include automotive products (automobiles and trucks and their parts); farm implements and parts; typewriters; cash registers; asbestos fibre and manufactures; Douglas fir and pitch pine lumber, etc.; iron piping; meters; radio parts; tools; wrapping paper; lightning fasteners; etc. (see report mentioned above for a full list of articles so admissible). Since the amount of dollar exchange to be made available at these official exchange auctions will be very limited in relation to the demand for the important items covered it will be difficult to get permits for many of the admissible items.

It should be noted that the following commodities may not be admitted from Canada or the United States under the present Argentine import regulations: All food products including fish (except hydrogenated vegetable grease, dried prunes and raisins, hops, fresh apples and pears); whisky, gin and all other beverages; silk, cotton, wool and all other textiles whether in thread, piece-goods or made-up apparel of any kind; wearing apparel of all kinds including shoes, gloves, etc.; all domestic and household appliances and machines; cooking utensils; furs of all kinds; all wood and wood products (except wood pulp, Douglas fir and spruce lumber and cask shooks); all paper and paper manufactures (except newsprint, wrapping, book, writing and photographic paper); wallpaper; linoleum and oilcloth; wallboard; cutlery; liquid paints and varnishes; plain and fancy glassware; hemp rope; buttons; brushes of all kinds; smokers' articles; velocipedes; windmills; bathroom fittings; building materials; complete car batteries; nails of bronze and copper; toothpicks; enamels; rubber hose and belting; rubber shoes; insecticides; washing machines; wood veneers; combs; steel furniture; bicycles and toys.

Interested Canadian exporters are advised to consult the Department of Trade and Commerce, Ottawa, as to the status of their particular commodities under the present Argentine import regulations. Imported merchandise cannot be cleared through the customs in Argentina unless the buyer holds an official import permit covering the particular order. However, this import permit is itself the authority to purchase the corresponding dollar exchange. Consequently, the import permit system safeguards rather than prejudices the eligible exporter of goods to Argentina. The situation is not likely to show any improvement for the duration of the war. In fact, further dollar credits may be the only means of making it unnecessary for Argentina to impose further import restrictions.

#### UNITED STATES TRADE WITH ARGENTINA

Sales of United States goods to Argentina were valued at \$106,900,000 in 1940 as compared with \$71,100,000 in 1939. However, United States sales during



December last were valued at only \$4,700,000 and during November at \$5,900,000, making the level of imports from the United States for the latter part of 1940 only 60 per cent of the average for the entire year.

Argentina imposed severe restrictions last September on most items of importation from the United States in order to conserve her dollar exchange resources. At present she has to buy from the United States most of her iron and steel as well as base-metal requirements, automotive products, lumber, tools and such equipment as typewriters, etc., in addition to certain basic raw materials. Imports of United States goods into Argentina in 1939 were made up of crude petroleum and lubricants, 22 per cent; automotive products, 15 per cent; chemicals, 12 per cent; agricultural implements, 9 per cent; Douglas fir and pitch pine lumber, 7 per cent. The remaining \$25 million was represented by other machinery and motors, typewriters, cash registers and similar equipment, radio parts, etc.

United States purchases from Argentina in 1940 were valued at \$83,300,000 as compared with \$61,800,000 in 1939. Argentina's deficit, on trade account alone with the United States, therefore, was \$23,600,000 in 1940. In addition, Argentina has to meet financial services in the dollar area estimated at \$22,000,000 annually as well as pay for part of her crude oil requirements from countries such as Venezuela in United States dollars. The domestic production of crude petroleum in Argentina was 3,276,496 cubic metres in 1940 or 60 per cent of the consumption in 1939. The United States is now the principal buyer of Argentine wool as well as flaxseed. Cattle hides are also an important item. It is reported that the United States military services may place an initial order for 10,000 tons of Argentine corned beef, to be imported from Argentina in addition to normal civilian purchases in the United States. United States purchases from Argentina in 1940 were represented approximately by the following items: wool, 39 per cent of total purchases; hides and skins, 20 per cent; flaxseed, 15 per cent; canned meats, 5 per cent; quebracho (tanning extract), 3.4 per cent; all other goods, 17.6 per cent. Among the other relatively minor items purchased from Argentina are: Williams pears, which may reach 300,000 boxes this season; European types of cheese; canary seed; broom corn; grapes; rape seed; corn; vermouthe; peanut meal; cattle and horse hair; rags; wolfram; tungsten concentrates; lead concentrates; beryllium oil; mica; pig tin; onyx; glycerine; dried blood and tankage; glands; bone meal and calcium tartrate, granulated bones and bones. (Incidentally, tartaric acid is a new item of Argentine export to Canada.)

The United States Export-Import Bank has granted Argentina a credit of U.S.\$60,000,000, which will be made available for the purchase of United States goods at \$5 million monthly when approved by the Argentine Congress. The United States has also promised a \$50 million exchange stabilization credit to Argentina.

## URUGUAY'S TRADE WITH CANADA IN 1940

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, March 6, 1941.—Owing to a shortage of dollar exchange, Uruguay has been obliged to restrict her imports from the dollar area. Wool normally represents over 50 per cent of Uruguay's total exports and the United States is now the sole buyer of importance. Canned meats and frozen beef and mutton are the other important items of export from Uruguay.

The Uruguayan Exchange Control Board issues monthly an exchange quota for each country exporting to Uruguay if and when exchange is available for a particular country. If exchange is not available for a country to provide a basis for a quota, then exchange is only provided if the country is the sole supplier of an essential commodity, such as newsprint from Canada during the

second half of 1940. Goods should not be shipped to Uruguay unless the buyer has secured the corresponding import permit in Uruguay.

Canada was allotted exchange quotas by Uruguay to a total value of U.S.\$698,680 during 1940. The Uruguayan Exchange Board specifies the commodities which are admissible under these quotas. Newsprint represented U.S.\$400,385 (\$440,423 Canadian) or nearly 60 per cent of the exchange quotas allotted to Canada in 1940; certified seed potatoes, \$161,000 or 23 per cent\*; farm implements, \$106,044 or 15 per cent; and the remaining two per cent was represented by pig lead and aluminium. An influential importer in Uruguay may be able to obtain occasionally an import permit outside the quotas, if it is for a product that is absolutely essential and the importer had previously been obtaining it from the particular country.

#### CANADIAN PURCHASES FROM URUGUAY

During the first eleven months of 1940 Canadian purchases from Uruguay amounted to \$429,759 (Canadian). This figure was \$20,664 less than the value of newsprint quotas alone allotted to Canada by Uruguay. Canadian purchases were made up of canned meats, \$196,897; wool, \$179,293; and hides, \$53,492. The wool purchases were made in March and April. Canadian imports from Uruguay fell sharply after August last year. Total purchases for the three months, September, October and November, 1940, were limited to \$8,726 worth of Uruguayan tinned beef.

Uruguay has received a small dollar credit from the Export-Import Bank at Washington but, despite this credit and the increased American wool purchases, Uruguay has to keep her purchases from the United States, as well as Canada, down to the minimum of essential goods required for her economy.

#### MEXICAN MARKET FOR LINOLEUM AND OILCLOTH

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, March 7, 1941.—Some years ago Canada was an active supplier of linoleum and oilcloth to the Mexican market, but these exports have now ceased. The Mexican duty on linoleum and oilcloth is on a weight basis and, since at that time Canadian products were lighter in weight than those produced in the United States, they had an advantage over the American in regard to duty. Subsequently, when linoleum and oilcloth of lighter weight than the Canadian was produced in the United States, the situation was reversed, and the American product superseded the Canadian on the Mexican market. However, in view of the fact that the Canadian dollar is now at a discount of 10 per cent as compared with the American dollar, this discount may offset the lower duty imposed on the lighter American products. The Mexican import duty on linoleum has not changed, being, as heretofore, one peso per kilo legal weight (approximately 10 cents Canadian per pound).

#### PRESENT POSITION OF THE LINOLEUM MARKET IN MEXICO

Linoleum is still imported into Mexico from the United Kingdom in considerable quantities. Originally the linoleum business was exclusively in the hands of the local large French department stores in Mexico and a selected few of the leading furniture stores. In recent years, however, since Canada has ceased to be a supplier, much of the cheaper linoleum business has been carried on by numerous dealers in second-class furniture. For that reason competition has become very keen. It is on account of this competition that Mexican

\* Further information on Uruguay's imports of certified seed potatoes from Canada will be found in the report on Argentine Imports from Canada in 1940 in this issue.

buyers now show a preference for the cheaper grades, which have no jute base. In opposition to this cheap trade, the leading French department stores in Mexico and the principal dealers in better-class furniture still maintain their policy of handling only products of first quality.

#### TYPES OF LINOLEUM IN DEMAND

There is little demand for wide piece goods that cover the whole floor. For various reasons this type of linoleum has never been popular in Mexico. The principal sales in the Mexican market are linoleum made in squares in the following dimensions in yards: 2 by  $2\frac{1}{2}$ ; 2 by 3;  $2\frac{1}{2}$  by 3;  $2\frac{1}{2}$  by  $3\frac{1}{2}$ ; and 3 by  $3\frac{1}{2}$ . Linoleum in various widths for staircases is also imported.

#### TABLE OILCLOTH

Canada's former sales to Mexico were principally of table oilcloth. As in the case of linoleum, this was entirely due to the fact that at that time Canadian oilcloth was lighter in weight than the American-made product. The import duties on table oilcloth are the same as formerly—1.70 peso per kilo legal weight (approximately 17.5 cents Canadian per pound). Competition in the sale of foreign oilcloth in Mexico has always been very keen.

Plain and fancy oilcloth is now being manufactured in Mexico. The quality of the domestic product, however, is said to be poor; it becomes sticky and does not withstand wear. On account of this, considerable quantities of table oilcloth are still being imported, chiefly from the United States. The American product is usually bought in rolls of approximately 48 inches (120 centimetres) in width.

There is a fair market for individual table oilcloth covers for tea and bridge tables, the size sold retail being 52 by 54 inches. They are also bought with a felt backing. Since the duty on individual table covers is higher, it is the custom of the Mexican trade to import them as piece goods in the roll. They are then cut up into individual covers for the retail trade.

There is also a demand for table oilcloth with felt backing. The type bought is usually 54 inches (140 centimetres) wide.

### MEXICAN MARKET FOR BRAKE LININGS

#### A. B. MUDDIMAN, TRADE COMMISSIONER

Mexico City, February 26, 1941.—There is a fairly large consumption of brake linings for automobiles in Mexico and as there is some importation of Canadian brake linings into this country, the following notes have been prepared on the present condition of the Mexican market.

Local demand is for brake linings of a good quality. On account of poor roads, the linings wear out rapidly in Mexico. In the capital, due to undisciplined traffic and hard automobile driving, emergency stops are frequent.

#### TYPES OF LININGS

No rigid segments are used in Mexico. Semi-rigid strips are consumed and are sold in rolls of 7.63 metres. The use of other linings has not increased. All brakes are of the internal expansion type. Semi-rigid linings have the advantage of being cheaper, and they can be adapted to all kinds of drums of the different makes of American automobiles. Semi-rigid segments work well on ordinary brakes. The linings preferred in Mexico contain some intertwined metal. Drums used are both hard and soft steel, according to the make of the automobile.

There is not a great variety of linings imported into this country, as in Europe, since only American-made linings are used. There is no local production of linings.



Hydraulic brakes are also used in Mexico to a considerable extent, and it must be remembered that hydraulic brakes require a type of lining different from the ordinary brake lining.

Since nearly 100 per cent of the automobiles in use are American models similar to those in service in Canada, the market for brake linings here presents no difficulties that would prevent Canadian manufacturers of this product from supplying Mexico. In Europe, on the other hand, due to the majority of automobiles employed being of foreign types and dimensions there were many difficulties in supplying the exact brake linings desired.

It may be of interest to add that some drums in Mexico use a two-pieced lining, while others take as many as four.

#### SELLING METHODS

There is keen competition in the Mexican market in the sale of brake linings for automobiles. Agents state that advertising is necessary to sell them. Prices vary according to the make and sizes. There are over a hundred makes of brake linings sold in Mexico and many individual stores stock at least twelve different makes. Owing to the variety of types of this product, nothing can be stated in regard to wholesale prices. It must be emphasized, however, that Canadian manufacturers must be able to compete in price with United States manufacturers in order to sell. The fact that the Canadian dollar is at a discount as compared with the United States dollar is a substantial advantage to Canadian exporters seeking to sell in the Mexican market.

### WARNING AGAINST DISCLOSURE OF SHIPPING INFORMATION

The attention of exporters is directed to the following notice, dated February 5, 1941, circulated to importers in the United Kingdom by the Import Licensing Department of the Board of Trade:—

"Importers in this country sometimes receive telegrams, *en clair*, from overseas, giving the name and sailing date of steamers carrying goods destined for British ports.

"Although the foreign exporters who send these telegrams do so in all innocence, it will be obvious to British people, that their transmission may cause danger to shipping. All importers are, therefore, urgently requested to arrange with their overseas suppliers, agents or shippers that *names of steamers and dates of sailing shall not be mentioned in cables or telegrams.*"

### TARIFF CHANGES AND TRADE REGULATIONS

#### United Kingdom

##### INDIVIDUAL IMPORT LICENCES REQUIRED FOR CARBON BLACK

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of March 13 advises that the British Board of Trade announces that the open general licence in favour of imported carbon black from natural gas or acetylene from any country has been revoked as from that date. Individual import licences, the cablegram states, will not be required for consignments despatched to the United Kingdom before March 13 and which are imported before May 13.

As licensable commodities imported without a licence are liable to forfeiture, no further shipments of carbon black from natural gas or acetylene should be made unless definite assurance is obtainable from the importer that he has been able to secure an import permit.

##### AMENDMENT OF OPEN GENERAL LICENCES

With reference to the article in *Commercial Intelligence Journal* No. 1928 (January 11, 1941), pages 49-51, reproducing a list as at December 2, 1940, of goods admissible into the United Kingdom under open general licence, further

Notices of the Board of Trade announce that the following goods now require individual import licences for each shipment: raw cotton and cotton linters unless despatched to the United Kingdom before January 13 and imported before March 13; silver ores, concentrates and residues, and the wide range of key industry chemicals formerly under open general licence, unless despatched to the United Kingdom before February 5 and imported before April 5.

Another Notice announces that an open general licence was issued for wines and spirits imported into the United Kingdom before March 20 and which are shown to have left their port of loading before January 20; and that until further notice no licences will be issued for wines or spirits shipped after January 20.

### Australia

#### MOTOR VEHICLE CHASSIS QUOTA, 1941-42

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, February 12, 1941.—The Australian Minister for Trade and Customs has announced new restrictions on the importation of motor car chassis and truck chassis from Canada and the United States, applicable for the next quota year, viz. May 1, 1941, to April 30, 1942. Imports for the quota year have been reduced to 8,896 car chassis and 7,503 truck chassis. This is a reduction of 85 per cent for cars and 45 per cent for trucks from the quota established by the Commonwealth authorities on the basis of imports for the year ended April 30, 1936. Imports for that period from North America were 58,801.

The Minister for Trade and Customs further announced that the percentage reduction would not apply on the first 75 chassis of the total quota held by importers and that no alteration was proposed in connection with the under-mentioned conditions applicable in the 1940-41 quota period:—

- (a) The substitution of one chassis for another will be limited to transfers from car chassis to truck chassis only.
- (b) Defence orders will be excluded from quotas.
- (c) The provision whereby imports would be spread so that not more than 40 per cent of any importer's quota may be imported during any consecutive four months has been changed in the new regulations to permit importation of permissible imports under the 1941-42 quota during the month of April, 1941, provided the chassis so imported remain in customs bond until May 1, 1941.
- (d) Adjustment may be made in cases in which less than 60 per cent of the quotas has been imported in the first eight months.

It was also stated that the Government's decision had been made after exhaustive consideration of the present stocks held in Australia, national needs, and the non-sterling exchange position.

Details covering the quota year 1940-41 were published in *Commercial Intelligence Journal* No. 1896 (June 1, 1940) page 872. For that period entry was permitted of 38,462 vehicles, made up of 27,648 cars and 10,814 trucks. Of this quantity, however, the number actually delivered was drastically curtailed by the operation of the so-called voluntary "import holiday" which came into effect on September 1, 1940. It involved an agreement entered into by the leading importers of car and truck chassis to refrain from importing any chassis from North America in excess of those then awaiting shipment or en route to Australia. The "holiday," which was for a period of nine months up to May 1, 1941, was partly dictated by the knowledge that motor car distributors were heavily stocked and the expectation at that time that war conditions and difficulties of shipping would result in a serious reduction in sales. This coincided also with the uncertainty in the public mind regarding the full implications of petrol rationing. It was further felt that imports of the new 1941 models would upset the Australian market and thus prevent a clearance of existing stocks.

Irrespective of this voluntary decision to refrain from importing additional chassis, which did not constitute an official restriction, the Australian customs authorities also refused from October 1 to issue further licences to import chassis from non-sterling countries. This decision had the effect of virtually stopping the importation of all North American chassis.

The new quota for the 1941-42 period will reduce imports of car and truck chassis into Australia to the conditions obtaining during the depression years, when in the worst year (1931) only 10,369 new cars were disposed of in the whole of Australia. This compares with the best import year (1928), when 73,556 new cars were sold in Australia, of which 63,662 were of North American origin.

Official figures are not available covering defence requirements, but it is anticipated that orders from this source for North American type truck and car chassis will reach substantial proportions, particularly in view of the demand on Australia for supply to the Near East, India and Malaya.

### **Ireland**

#### **IMPORT RESTRICTION ON APPLES REMOVED**

Mr. James Cormack, Canadian Trade Commissioner in Dublin, reports that an order of the Minister of Agriculture, dated February 4, 1941, terminated as from February 10, 1941, the quantitative restriction on import of raw apples into Eire, which had been in effect from August 16, 1940. The previous import restriction period lasted from November 7, 1939, to February 20, 1940. The rate of duty on apples entering Eire is one penny per pound from all countries.

### **South Africa**

#### **SALES TAX ON MOTOR CARS**

A sales tax on motor cars was included in new taxation introduced by the Minister of Finance of the Union of South Africa on March 12. The sales tax on new motor cars averages £7 10s. on light cars, £12 10s. on medium-weight cars and £17 on heavy cars. Trucks and motor cycles are excepted from the tax.

### **British India**

#### **IMPORT LICENSING OF PATENT MEDICINES**

Proprietary and patent medicines are among the articles for which a licence is required for importation into British India from Canada, Newfoundland, or any country outside the British Empire. An official notice states that:—

For the purposes of the Import Trade Control the expression "proprietary and patent medicines" is not meant to cover (a) any preparation which is for the time being recognized by the Permanent Commission on Biological Standardization of the League of Nations or in the latest edition of the British Pharmacopoeia or the British Pharmaceutical Codex; or (b) any preparation of which the true formula is declared on the container or label and for which no proprietary rights are claimed either in the formula or method of preparation.

It is announced that no import licence is required if a manufacturer's declaration that no proprietary or patent rights are claimed in the formula or method of preparation, has been approved by the Indian Customs and is printed on the label or container or is supplied separately with each consignment.

Official explanatory notes state that a formula is deemed to be true if without disclosing a full and detailed recipe of the ingredients, it indicates correctly all potent or poisonous substances contained in the preparation together with an approximate statement of its composition. If proprietary rights are claimed in a brand or trade mark but not in the formula or method of preparation of a medicine, it is not for that reason alone to be classified as "proprietary."



**Cyprus****CONTROL OF IMPORTS**

Imports into Cyprus, Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports, are now controlled by an Order in Council of June 24, 1940, passed under Section 52 of the Customs Laws (1936 to 1940). From publication of that Order in the *Cyprus Gazette* of June 26, 1940, "the importation into the Colony of any goods whatsoever is prohibited save under the authority of a licence granted by the Registrar of Co-Operative Societies and subject to such terms and conditions as may be prescribed in such licence". Exemption from licence is provided for goods consigned through the Postal Service to a private individual for his private use when the value does not exceed three pounds sterling, and for bona fide baggage, the property of a passenger and accompanying him for his personal use.

**FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 17, 1941**

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 17, 1941, and for the week ending Monday, March 10, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Mar. 10 \$ .0223	Nominal Quotations in Montreal Week ending Mar. 17 \$ .0223	Official Bank Rate
Finland . . . . .	Markka	.0252			4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0445	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2644	.2644	3½
Switzerland . . . . .	Franc	.1930	.2576	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2283	3
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2547	.2570	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4388	.4391	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0604	.0594	—
Hongkong . . . . .	Dollar	.....	.2711	.2710	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Short-wave Radio Receivers. . . .	56-7	Port of Spain, Trinidad. . . .	Purchase and Agency.
Conversion Sets (for Converting Automobile Gasoline Engines to Use Coal Gas).	58	Dublin, Eire. . . . .	Purchase or Agency.
Padlocks, Spring or Non-spring, with Two Keys for Each Lock.	59	Dublin, Eire. . . . .	Purchase.

# COMMERCIAL INTELLIGENCE SERVICE

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C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 331, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

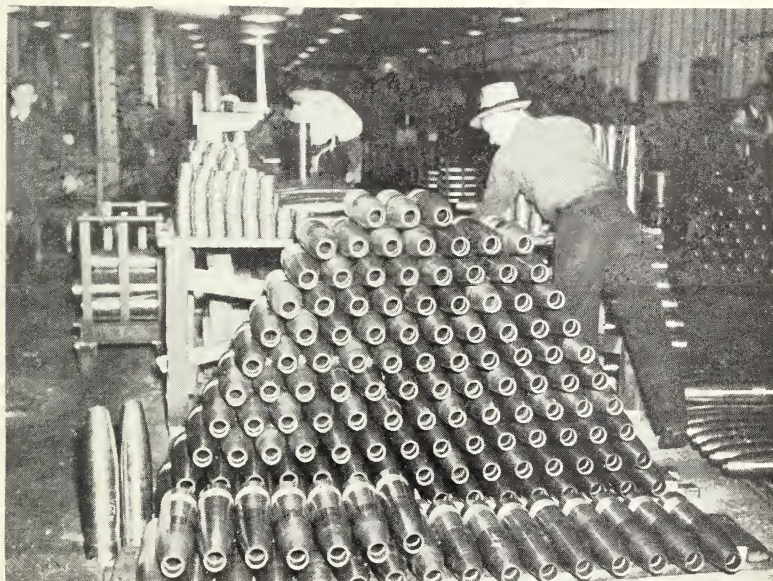
**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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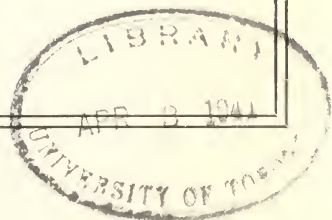
No. 1939



Completed Shells ready for Inspection in a Canadian Arms Plant

*Photo—Public Information*

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER



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**No. 1939**

## **SOUTH WALES INDUSTRY AND TRADE IN 1940**

**L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER**

Bristol, February 24, 1941.—The virtual suspension of the publication of shipping and trade statistics, due to the imposition at the outbreak of the war of various defence regulations, makes the preparation of the annual report on industrial conditions in South Wales extremely difficult and its value relatively less. Following is a summary in general terms of the position of the principal industries in the area during the year 1940.

### **SHIPPING**

Coal and coke shipments from South Wales account for by far the greatest volume of trade passing through the ports in this area. During the first half of the year coal exports stood at a more or less satisfactory level, but after the entry of Italy into the war and the collapse of France this trade suffered considerably. In both imports and exports it is estimated, however, that as far as general traffic is concerned a considerable flow has been maintained throughout the year, and it is assumed that, were the 1940 figures available, they would be equal to, or possibly better than, those for the previous year.

### **COAL**

At the beginning of the year prospects appeared exceptionally favourable for the coal trade, and it is estimated that the production rate had risen to between 37 and 38 million tons per annum under the expanding demands of the inland and export trades. Some dislocation was caused in February by the temporary breakdown of transportation facilities in many districts, due to weather conditions, but by April the output of the South Wales coal fields had improved to a rate of approximately 40 million tons a year.

In spite of this, however, supplies fell far short of demand, and on April 5 the Mines Department appointed a Production Council in an effort to secure a further increase in exports to allied and other countries as well as to maintain supplies for all essential home purposes. The Council consisted of three colliery owners, three miners' leaders, and representatives of the Ministries of Transport, Shipping and Mines. Regional committees were set up, and these directed their efforts to the speeding up of outputs by co-operative action on the part of workmen and managements. In South Wales in particular an agreement was reached for the working of a full Sunday night shift, joint arrangements were made for the prevention during the war of any stoppage of work on the question of non-unionism, pit committees were constituted to superintend the speeding-up arrangements, and a conciliation board was given powers of decision in all disputes.

## EXPORT POSITION

The course of military events in Europe and the Mediterranean upset all plans for increasing output and transformed the problem of a scarcity of coal into one of a glut of supply. The German occupation of Denmark and the invasion of Norway, the Netherlands and Belgium not only interrupted trade with the Baltic and North Sea ports but diverted to the United Kingdom the Dutch and Belgian war-period contracts for the supply of about 6 million tons to France. Towards the end of May the French Government was appealing to Britain for between  $2\frac{1}{4}$  and  $2\frac{1}{2}$  million tons per month, or more than four times the pre-war volume. Every possible effort was made in South Wales and the other coalfields to meet these requirements, and French shipments were given priority over those to all other destinations.

Two events caused a complete reversal of the picture—the entry of Italy into the war and, a week later, the virtual capitulation of France. Commercial relations with the two countries automatically ceased; between three-fourths and four-fifths of the export coal trade of the United Kingdom disappeared, as it were, overnight; and at the South Wales ports it was estimated that the interruption of this trade represented roughly 10 million tons per annum. It was no longer a question, especially in the Welsh coalfields, of improvising arrangements for producing more coal, but the extremely difficult one of the readjustment of the organization of the industry to a greatly reduced demand.

The difficulties facing the export side of the industry can be realized when it is pointed out that up to the beginning of the war the total number of countries taking deliveries of Welsh coal was well over 60, but that now the number is probably less than a dozen.

Of the surviving markets in Europe, the two most important were Spain and Portugal, but trade with these two countries fell far below their normal peace-time requirements. Exports to Portugal were to some extent determined by an agreement providing for the exchange of 30,000 tons of pitwood for 40,000 tons of coal. For various reasons the Ministry of Shipping found it impossible to supply the tonnage needs of the South American markets, and exports to Brazil, Argentina, and Uruguay were less than half those in 1938 and 1939, the United States having obtained the remainder of the business. The year's best market for Welsh coal was Canada, shipments from Bristol Channel ports showing an increase of over 30 per cent as compared with exports in the previous year.

## INLAND SUPPLY

The South Wales coal trade is not at present relying on export for the maintenance of work at the pits as, to a large extent, was the case in the past. There is a growing inland demand and despite its unfavourable geographical position, the South Wales district has benefited by the increase in rail-borne deliveries. The opinion has been expressed that this inland trade will increase rather than diminish during the period of the war, and that the Welsh coal industry should be maintained on a reasonably sound basis until the cessation of hostilities.

## COSTS OF PRODUCTION

Among the factors which contributed to an increase in the cost level for 1940 were the following:—

1. War wage advances of 5d. per shift as from January 1, of 4d. per shift from April 1, and of 5d. per shift from October 1.
2. Railway conveyance rates were increased by 10 per cent from May 1 and by a further 6 per cent from December 1.
3. The tipping and weighing rate was raised as from November 1 from  $5\frac{1}{2}$ d. to  $6\frac{1}{2}$ d. per ton and the wharfage rate from  $3\frac{1}{2}$ d. to 4d. per ton.

4. An increase in general wholesale prices and especially a rise during the year in the cost of Portuguese pitwood from 35s. to 60s. per ton plus charges amounting to about 5s. per ton.

On the strength of these and other relevant factors the inland prices of steam and bituminous coals were increased in May by 8d. per ton and the export price by 1s. per ton and the prices of anthracite were increased by 1s. 8d. and 2s. per ton respectively. On October 15 anthracite and dry nuts for central heating were raised by 1s. 8d. per ton to cover the cost of breaking, and on November 1 prices for all classes of coal were further increased by 2s. 9d. per ton for inland deliveries and by 2s. 10<sup>3</sup>/<sub>4</sub>d. per ton for export.

#### GOVERNMENT SCHEMES

In order to partially offset the effect of the loss of important overseas markets in certain sections of the coal-mining industry, the Government and the colliery owners favoured the continued concentration of production where it was most efficient and the granting of financial assistance to collieries temporarily idle through loss of export business or enemy action. These principles have been adopted and incorporated in a scheme which provides for a national levy up to 6d. per ton on the output of the industry and compensation at the rate of 2s. 6d. per ton. It is expected to be brought into operation early this year. Meanwhile, it has been announced in Parliament that special steps have been taken by the Government to place unemployed miners in employment in other industries as well as to transfer them to other coalfields where there is a shortage of labour. The Government has also authorized the placing of new factories, so far as technical and strategic considerations permit, in mining districts where suitable labour is likely to be available.

#### PRODUCER GAS

The prospects for the development of transportation utilizing producer gas, referred to in the corresponding report of a year ago, have not materialized. The question of fuel supplies provides one of the main reasons for lack of interest up to date. The anticipated shortage of imported oil fuels has not occurred, and road operators, though their supply of gasoline is officially rationed, have not been subjected to acute pressure to obtain alternative fuels. There has also been some difficulty in obtaining suitable coal supplies, and the price for the special qualities required was considered too high under the circumstances. At present the construction of new vehicles is out of the question and since, due to technical considerations, the conversion of existing gasoline engines leads to some loss of power, there has been some reluctance to make the change.

#### STEEL AND TINPLATE

In the present war metallurgical products are playing an ever increasing role in the national effort and, as one of the principal iron and steel districts of the United Kingdom, South Wales and Monmouthshire are contributing a large share in this direction.

In peace time the greater part of the output of the tinplate and sheet steel industries was exported, but during the early part of 1940 priority had to be given to the manufacture of sheets for the construction of the so-called Anderson air-raid shelters, which were widely distributed. Moreover, the tinplate industry was deprived of between 15 and 20 per cent of its normal export trade by the closing of the European and Mediterranean markets through enemy action and suffered a reduction in the home market as a result of defence regulations restricting the domestic consumption of tinplate. On the other hand the exclusion of Germany, Italy, and France—all of which were members of the International



Tinplate Cartel—opened up new potential outlets for British and American tinplates, but the United States manufacturers were in a better position than those of the United Kingdom to take advantage of this opportunity for expansion, and their exports are said to have been trebled.

#### RAW MATERIALS SUPPLY POSITION

In the manufacture of sheets and tinplates the only serious difficulty encountered during the year was the comparative scarcity of scrap. The blast furnaces were more fortunate than the steel furnaces. Coal and coke were plentiful, and there was a steady supply of iron ore despite the discontinuance of imports from Sweden, France, and North Africa. The open-hearth furnaces of South Wales and Monmouthshire, however, could not attain their maximum output capacity owing to the shortage in the supply of iron and steel scrap, of which roughly 15 cwts. is consumed locally in the production of every ton of steel. Still, despite this handicap, both the output and sales of tinplates substantially exceeded those in 1939.

#### DISTRIBUTION

The administration of the industry remained under the direction of the British Iron and Steel Federation in co-operation with the Ministry of Supply. On April 1, the licensing system which had been in operation since September 1, 1939, was superseded by machinery for the quarterly allocation of supplies to the various consumers, having due regard to the relative importance of the purposes for which the steel was to be used. Consumers were grouped under about 20 government departments and these, in conjunction with the Iron and Steel control, were made responsible for the supplies of material.

#### PRICES

Costs and prices were strictly regulated during the year, but they shared in the general upward trend. The price of sheets and tinplates is governed primarily by the cost of steel bars, and these increased progressively from £7 5s. per ton on September 1, 1939, to £8 5s. at the beginning of the year and to £12 2s. 6d. by November 1, 1940. This heavy advance was due principally to the rise in the cost of imported ore, iron and steel scrap, and other imported materials.

The maximum home price schedules were revised upward on three occasions during the year, and the increases were devoted chiefly to a fund which had been established by the industry in order to compensate steel producers who were dependent for their raw materials on external sources of supply. Before the war the industry imported one-third of its iron ore consumption and approximately one-seventh of its consumption of steel scrap.

During the year the price per basis box (approximately 21½ basis boxes equal one long ton) for tinplate advanced from 21s. 6d. to 29s. 9d. for the home trade; in the export trade, prices fluctuated throughout the period from as low as 26s. to 32s., the latter figure ruling at both the beginning and the end of the year. The price of galvanized steel sheets for the home market rose from £18 12s. 6d. to £26 2s. 6d. per ton and for export from £19 10s. to £25 12s. 6d. per ton. Corresponding movements took place in the prices of other iron and steel products.

#### WAGE SYSTEM

An important change was made in the wage system so as to relate wage rates to fluctuations in the cost of living index. Tinplate workers were granted an increase of 3 per cent as from February 1, but after that changes throughout the steel manufacturing, sheet rolling, galvanizing and tinplate branches of the industry were governed by a cost-of-living sliding scale, in the case of tinplate

workers of 0·8d. per shift for every point of increase over the base figure of 176. Alterations were made as follows:—

	For Men, per Shift	For Women and Juveniles, per Shift
On July 7. . . . .	4.0d. advance	2.0d. advance
On Aug. 5. . . . .	4.8d. advance	2.4d. advance
On Oct. 6. . . . .	1.6d. advance	0.8d. advance
On Sept. 1. . . . .	1.6d. reduction	0.8d. reduction

### TIMBER AND PITWOOD

Since the outbreak of war, the timber trade has been under control and, generally speaking, all imports have been purchased by the Government. Stocks have been allocated to merchants on a quota basis to be sold under licence at controlled prices. Statistics of imports into South Wales are not available this year, but Board of Trade returns for the United Kingdom as a whole, which have just been released, indicate that imports of all classes of timber in 1940 were valued at £37,098,681 as compared with £37,128,694 in 1939 and £42,852,348 in 1938.

Pitwood also comes within the scope of the Timber Control, and large quantities are normally received in South Wales from France and Portugal. The former source is now cut off, but supplies are still arriving from Portugal at a controlled price of 60s. per ton ex ship. Pitwood consumption at the collieries has fallen considerably during the year, due to the sharp decline in the export coal trade. Supplies of Portuguese wood, together with a proportion of home-grown and Canadian props, are sufficient to meet the present restricted requirements.

### OTHER INDUSTRIES

As mentioned in previous reports on South Wales trade, industrial development, although primarily based on coal, iron, and steel, has been broader in scope than the emphasis which is often placed on these outstanding industries of national importance would seem to indicate. Although during the depression years South Wales was classed as one of the "special areas" requiring government assistance and co-operation, it has recently attracted many new industrial plants. It is stated that over a period of years the success already attained by new industries established in the area has exerted a powerful influence. More recently the trend of London and Midland firms towards decentralization, as a precaution against serious interruption due to enemy air attacks, has been a factor of importance in building up a diversified Welsh industry. That an even greater degree of new development has not taken place in the past year is due solely to the acute shortage of factory accommodation in the area and to the fact that new buildings may be erected only for factories engaged in work of urgent national importance.

### AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, February 17, 1941.—With an estimated production of 83,300,000 bushels, the 1940-41 Australian wheat crop is the smallest Australian crop since 1919-20 when only 46,000,000 bushels were harvested. It is also the first occasion since that year that the total harvest for the Commonwealth has fallen below 100 million bushels. On the basis of farmers' intentions as indicated prior to harvesting, it was estimated that approximately 12,384,000 acres would be harvested for grain in 1940-41. On the basis of that area, the average yield in 1940-41 was 6·73 bushels per acre, which compares with the high average yield of 15·8 bushels per acre in 1939-40 and with the average of 12·5 bushels per acre for the ten years ended 1939-40.

The bushel weights for the 1940-41 season were determined in the several States as follow: New South Wales, 62 $\frac{3}{4}$  pounds; Victoria 64 $\frac{1}{4}$  pounds; South

Australia and Western Australia, 63½ pounds. In spite of considerable reduction in the size of the crop owing to the drought, the figure fixed for Victoria was only a quarter of a pound below the record figure, as cool weather during the ripening period resulted in the production of a good quality grain.

#### VALUE OF WHEAT AND FLOUR EXPORTED

The value of wheat and flour exported from Australia during the twelve months ended June last, which included ten months of war, is returned at £A12,789,000, which is nearly equal to the figure for the previous year, but about half the value recorded for each of 1936-37 and 1937-38. For the five months ended November, 1939, the value was £A7,952,000.

#### STABILIZING THE INDUSTRY

Plans for stabilizing the industry and assisting farmers whose operations last year resulted in losses were advanced further during the past month. Applications for registration and licences to grow wheat under the plan had to be lodged by January 25. The intention is to limit production to a marketable harvest of 140,000,000 bushels, which is about equal to the average of the last six years, and to pay a stabilized price on that quantity. Another plan under consideration is for the grant of advances for cropping and sustenance, interest free for one year and bearing 1½ per cent after that time. This grant will supplement the grant of £A1,000,000 made by the Commonwealth Government for the relief of the industry, which will be distributed by the State authorities.

#### GRAIN ELEVATORS BOARD LOAN

The Grain Elevators Board loan of £A150,000 at 3½ per cent for 15 years closed February 17 with a small under-subscription. Underwriters may have to provide about 18 per cent or less of the amount of the loan. The Board has been unfortunate in that its three loans have been issued at times of great national crisis. The first loan of £A500,000 was issued at the end of September, 1939, immediately after the outbreak of war, but was 87 per cent subscribed. The second loan came out in May, 1940, just before the German invasion of the Lowlands, and was 66 per cent subscribed. The final days of the recent loan were marked by the grave statement on the Far Eastern position by the Acting Prime Minister on behalf of the Advisory War Council. The Bank of Australasia was banker for the issue.

#### WHEAT PRICES

Approximate export prices f.o.r. ports during the month of December in the years 1935 to 1940 were as follows: 1935, 41·33d.; 1936, 62·98d.; 1937, 51·65d.; 1938, 28·96d.; 1939, 35·00d.; 1940, 47·75d.

#### SOUTH AFRICAN MARKET FOR SEED POTATOES

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, February 11, 1941.—The Union of South Africa offers a market for a limited quantity of foreign seed potatoes. Average imports per calendar year from 1934 to 1939 inclusive amounted to 64,250 bushels. There is considerable variation in the quantity entering the country from year to year, depending on the condition of the potato market and the quantity and quality of local seed available. In 1938 imports were high, amounting to 90,320 bushels, while in 1939, which was a low year, the figure contracted to 36,362 bushels.

While the total population of the Union is in excess of 10,000,000, the majority of these are natives, who are not heavy users of potatoes. The white population of the country is only about 2,200,000, hence the consumption is much less than the total population would indicate.

The production of potatoes in South Africa is also subject to wide fluctuation. The production figures given by the official agricultural census apply to white



farmers only, but, as the growing of potatoes by natives is small, these can be regarded as a good criterion. The high point of production is about 6,382,000 bushels and the low point approximately 3,350,000 bushels.

The areas planted to potatoes and the yields over the period 1917-18 to 1937-38 were as follows:—

	Area Morgen (2·1165 Acres)	Yield 1,000 Bushels
1917-18 . . . . .	52,059	3,670
1920-21 . . . . .	44,819	3,599
1925-26 . . . . .	35,609	3,330
1929-30 . . . . .	40,968	5,772
1933-34 . . . . .	38,288	4,804
1934-35 . . . . .	39,192	5,612
1935-36 . . . . .	39,369	5,798
1936-37 . . . . .	41,043	5,944
1937-38 . . . . .	43,027	6,382

According to the Agricultural Census, which was taken in 1935-36, most of the growers produced only small individual quantities. At that time, out of 17,384 returns made there were 11,250 growers with less than 600 bushels each, and 8,208 of these were below 300 bushels each. There were an additional 2,716 with 600 to less than 1,500 bushels each; 2,621 from 1,500 to under 7,500 bushels each; and 797 growers who produced 7,500 bushels and over each.

The potato is grown in most parts of South Africa, although large-scale production is confined to more or less definite areas where the necessary climatic, soil and marketing conditions obtain. The biggest crop is grown in the Transvaal where there is a large consumer population. In that Province the area of greatest production is found on the High Veld, which is situated in the regions around Bethal, Middleburg and Heidelberg. In the Low Veld, to the north and east, the potato is also grown but under irrigation.

In the Orange Free State the chief growing district is the area extending from Thaba'Nehu and Ladybrand to Harrissmith, while potatoes are also grown under irrigation in the neighbourhood of Petrusburg. The popularity of the crop in Natal increases from the coast northwards, the best potato area extending into the Eastern Transvaal. The Cape Province area of maximum production extends from the districts surrounding Cape Town to beyond Cathcart and is confined to the coastal belt.

The areas where the crop is grown without irrigation are characterized by comparatively cool climate, rather light soil and average annual rainfall ranging from about 25 inches to about 30 inches, the major portion of which falls during the summer.

In 1924 the first Seed Potato Growers' Association was formed in the Orange Free State. Since then other associations have taken form in Natal and the Cape Province. The Department of Agriculture supplies Government experts to inspect the growing crops and later the harvested tubers. Where a specified standard has been attained the potatoes are sold as "certified seed" under the trade mark of the Association, a certificate of guarantee being also furnished.

#### SEED POTATO IMPORTS

As previously mentioned, South Africa's imports of seed potatoes are not great. Particulars as to the countries of origin and volume and value of potato imports during the three years 1937 to 1939 are as follows:—

	1937		1938		1939	
	Bu.	£	Bu.	£	Bu.	£
Total . . . . .	82,788	26,835	90,320	31,690	36,362	14,268
United Kingdom . . . .	48,175	18,119	62,518	23,099	32,285	12,703
Kenya . . . . .	....	....	473	66	....	....
Southern Rhodesia . . .	175	62	198	68	53	23
Canada . . . . .	136	42	29	10	495	253
Ireland . . . . .	11,205	3,956	16,964	5,894	2,646	1,097
Denmark . . . . .	183	34	1,283	273	....	....
France . . . . .	1,413	353	1,529	392	330	83
Germany . . . . .	4,099	1,234	1,539	449	93	33
Netherlands . . . . .	1,857	478	3,135	907	....	....
Poland . . . . .	366	55	866	168	455	75
Portuguese East Africa	12,973	2,428	....	....	....	....

As the figures in the table indicate, the United Kingdom is by a wide margin the most important source of supply of seed potatoes. In 1938, the last completely normal period, that country was credited with 69 per cent of the total. In 1939 the percentage was up to 88. If Ireland is added to the United Kingdom the shares are raised to 86 and 96 per cent respectively. It is thus apparent that the British Isles have a near monopoly of the South African seed potato trade. This position is facilitated by established trade connections, good transportation facilities which in normal times made delivery possible in two or three weeks and, even more important, the fact that growers were familiar with British varieties which by long experience they knew to be suited to local conditions.

While the Continent is no longer an exporter of seed potatoes, United Kingdom exporters have up to date been able to make deliveries. Consequently, Canadian producers interested in the African market have this competition to meet, in addition to the prejudice of the buyer against leaving the tried for the untried, so far as varieties are concerned.

Particulars regarding seed potato imports during 1940 are not yet obtainable but they will be below the level of 1939. Import permits for the current period have been issued for only 2,353,700 pounds and the bulk of this quantity did not enter the country until after the turn of the year. Consequently there has been a shortage during recent months.

#### VARIETIES

The most popular and main-crop variety of seed potato imported into South Africa is the Up-to-Date, which is grown in Scotland. It is well known among the farming community and is regarded as the standard. Other varieties include the King George V and Arran Chief. Shipments normally arrive October-November. The planting season is not uniform in all parts of the Union, owing to the differences in climate and rainfall, but December and January are common months for this purpose in some of the more important growing areas. In some, particularly in parts of the Cape Province, planting is done as early as September; in others again it may be as late as February and March.

The Up-to-Date has a white skin, white flesh, is oval in shape and cooks floury. The usual size of seed required runs from 1½ to 2 inches, or from two to three ounces in weight. In most parts of South Africa a potato with a heavy top-growth is also desirable, as the heavy growth shades the ground from the heat of the sun, helps retain moisture in the soil, and protects against the scalding of those potatoes which are close to the surface, even though they may not be exposed.

#### IMPORTS FROM CANADA

As indicated by the foregoing import figures, the quantity of seed potatoes which have entered the Union from Canada are inconsequential, and until 1940 have consisted, for the greater part, of small shipments which were used for experimental purposes in order to test the suitability of Canadian seed. While the outcome of the trial plantings is not final or complete owing to varying conditions in different parts of the country, it would seem that seed potatoes from Canada are adaptable to local conditions. During the past year imports from Canada have been much larger than ever before. Most of them have consisted of Green Mountain, which would seem to conform reasonably closely to the specifications of the Up-to-Date. A small quantity of Katahdins have also been brought into the country, while there may be a limited demand for the Irish Cobbler variety as well.

Canadian seed should have a definite place in the South African market, if the results of this season's plantings are satisfactory. There are therefore reasonably bright prospects of this country offering an outlet for Canadian seed if British price competition in the future can also be met.

It should be borne in mind, however, by Canadian growers and shippers that under the most favourable circumstances the South African market is a small one. In the calendar year 1939, for instance, imports from all sources



amounted to only 36,362 bushels, whereas Canadian exports during the same period to such important markets as the Argentine totalled 508,303 bushels and to Cuba 454,983 bushels.

#### PRICES

The prices obtainable for imported seed potatoes fluctuate from season to season with world and local market conditions. During the current period British seed was first offered at approximately 22 shillings per case of 112 pounds c.i.f. A few orders were placed at this figure but when it was raised to 24 shillings later trade was slow. Canadian seed has been advertised for sale to growers at as much as 27s. 6d. per case of 110 pounds at seaboard points while inland the price is increased to 30 shillings. In both instances it is specified there are reductions for quantities.

South African growers also offer local seed, which is usually specified as first or second from imported, the former being more expensive than the latter but cheaper than the imported. As an example, Up-to-date, first from imported, is currently quoted at 26 shilling per bag of 153 pounds, and second from imported at 22s. 6d. per bag. During the present season seed potatoes in South Africa have been on the short side and prices have been above normal.

Canadian exporters should bear in mind that in a small market prices obtainable tend to go down to the level of the lowest quotation.

#### SELLING METHODS

Buyers of seed potatoes are accustomed to receiving quotations c.i.f. South African ports, including insurance against inherent vice. Under present conditions it should also be clearly stated whether or not war-risk insurance is also included.

There are no hard and fast methods of doing business. In South Africa there is a type of general merchant dealing in produce, fertilizers and agricultural requirements. These firms in addition often act as importers of seed potatoes, the quantity handled in each instance running anywhere from several hundred to a few thousand cases. Other direct buyers include agricultural organizations and co-operatives. Some sellers do business through the medium of agents, who receive a commission of 3 to 5 per cent.

Payment may be effected on the basis of cash against documents. Many buyers are willing to establish credits, particularly if the price situation is such that the extra cost does not make the transaction unprofitable.

#### PACKING

British seed potato exporters commonly use for packing purposes a crate which has a net weight of 112 pounds when filled. There is also some call for the smaller container of 66 pounds, which is the one utilized by Continental exporters. On the other hand no particular exception is taken to the standard Canadian container of 110 pounds, such as used for the South American trade. Some buyers favour the smaller package owing to the better ventilation which obtains; but the good condition in which Canadian shipments have arrived this season has done much to dispel doubt about the Canadian containers.

Importers frequently have special wishes regarding the marking of containers with brand or other names. They may also desire that there should be nothing to identify the shipper. Individual instructions received from importers should in all instances be closely followed. It is desirable that crates be built of clean new wood and that these should be sufficiently strong and have the slats free from bad knots so that breakage is reduced to a minimum.

#### IMPORT RESTRICTIONS AND DOCUMENTATION OF SHIPMENTS

Regulations provide that potatoes may not be imported into the Union of South Africa if their importation is considered undesirable by reason of the presence, or suspected presence, of any rot, decay, scab or blemish, suspected to be due to a parasitic organism. In such cases the right is reserved to sort,



at the expense of the owner, all incoming consignments and to reject them if upon sorting they are found to be undesirable.

Because of these restrictions the question of the proper certification of seed potato shipments is of great importance. It is required that certain special documents accompany all consignments. These include the following:—

- (a) A statement on oath from the consignor declaring the country of origin, and the particular place or places therein, in which the potatoes were grown and giving data clearly establishing the identity of the consignment.
- (b) A certificate from the Department of Agriculture of the declared country of origin, or a certificate from some official institution in that country which the Minister has agreed to recognize, certifying that at date not more than 30 days before the time of the despatch of the consignment the disease known as black scab or warty disease (*synchytrium endobioticum*, Percival) does not exist, so far as is known, within 5 miles of the place, or places, in which the potatoes are declared to have been grown.
- (c) A certificate from the Department of Agriculture of the declared country of origin, or a certificate from some official institution in that country, which the Minister has agreed to recognize, stating that the crop from which the potatoes were derived was officially inspected in the field and that the degree of freedom from virus diseases was sufficiently high to ensure the suitability of the progeny for seed purposes, and stating further that the seed crop was not grown in the vicinity of any unhealthy potato crops or other plants infected with potato virus diseases.

Further particulars regarding the text of these certificates may be obtained from the Department of Trade and Commerce and the Department of Agriculture, Ottawa.

The duty on ordinary potatoes imported into the Union of South Africa is 2 shillings per 100 pounds. Certified seed potatoes when admitted under permit and accompanied by the necessary documents are given entry free of duty, however.

In view of the foregoing regulations it is essential that the three certificates specified should arrive with or before the consignments of potatoes which they cover, otherwise the merchandise may be refused entry or have to pay the import duty. In any case the lack of these documents causes delay and loss to the importer.

## SOUTH AFRICAN PRODUCTION OF CORUNDUM

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, January 30, 1941.—South Africa is the world's leading producer of corundum. The war has given new impetus to this industry, which in recent years has fluctuated widely between prosperity and depression.

South Africa has some excellent and high-grade deposits of corundum, but it has never been possible to maintain production at a steady level because of overseas economic factors. The special suitability of natural corundum for certain uses, coupled with the comparative cheapness of production in South Africa, should make the industry in this country a continuously active one. The wide use of substitutes has, however, made this impossible in the past, but it is hoped that, in addition to the fillip given to production because of war demands, the grading under government control of all corundum for export will be a favourable factor.

## PRODUCTION AND EXPORTS

Natural corundum deposits exist in several areas of South Africa, according to a report appearing in the South African Mining Journal. In the Transvaal Province the mineral occurs in primary and secondary deposits, the former

known as "reef corundum" and the latter as "eluvial". The deposits providing the bulk of the production are found in the Transvaal over an area of some 3,000 square miles, and most of the output is at present obtained by individual farmers and diggers. It is estimated that during 1935, which was reported to be one of the best years experienced by the industry, some 400 Europeans (whites) and 40,000 natives were engaged in digging corundum. As mentioned above, the corundum deposits are widespread over the area and, while a few probably run to between 5,000 and 10,000 tons, the majority are small deposits of corundum-bearing rock found in workings seldom exceeding 20 feet in depth.

The production of corundum varies greatly according to overseas demand. The United States has in the past been the best market, but since the outbreak of the war the demand from Britain has shown a considerable increase. During the first nine months of 1940, production rose nearly 100 per cent over that of the preceding year and totalled 3,178 tons as compared with 1,660 tons in 1939. Exports during recent years have been as follows:—

*South African Exports of Corundum*

	Tons of 2,000 Lbs.	£
1934 . . . . .	3,202	23,844
1935 . . . . .	4,775	36,552
1936 . . . . .	4,851	38,240
1937 . . . . .	2,466	18,716
1938 . . . . .	1,546	12,054
1939 . . . . .	2,664	19,592
1940 (9 months) . . . . .	3,178	26,482

Despite the present activity in the industry, the world market is considered to be unstable and subject to wide fluctuations. The future is, therefore, highly uncertain.

### VALUE AND VOLUME OF CANADIAN EXPORTS IN 1940

PREPARED BY INDUSTRIAL RESEARCH BRANCH, DOMINION BUREAU OF STATISTICS

A new index has been calculated of the value and volume of Canadian external trade in the period 1935-40. The base period used is 1935-39. (See table on next page.)

The declared value of Canadian exports in 1940 stood at \$1,179,000,000, as compared with \$925,000,000 for 1939. This is an increase of 33 per cent over the average of the five years 1935-39. If the goods were valued at 1935-39 prices the increase would be 22 per cent, and, therefore, on the average, an increase of 9 per cent in unit value or price is indicated. This figure of increase is very close to that shown by imports and it was larger than the movement of general wholesale prices within Canada, which in 1940 were somewhat less than 8 per cent over 1935-39.

Of the nine main groups of exports, the greatest increase in unit values is shown by iron and its products, the index of which rose to 152 in 1940 from 105 in 1939. The sharp rise for this group was in contrast to import prices, which declined slightly, and to wholesale prices within the country, which rose by only six points. The next largest increase was shown by wood and paper, which was up by 14.4 points, coinciding almost exactly with the increase in domestic wholesale prices. The index of export values for fibres and textiles rose by 14 points to 107, and that of wholesale prices by a similar amount to 84. Export and domestic prices of agricultural and vegetable products, and animals and animal products rose by about equal amounts.

Since export prices rose by 13 per cent above those of the preceding year, and import prices by 8 per cent, there was an improvement in Canada's terms of trade of about 5 per cent, reversing a deterioration of about equal amount in the preceding year.

In all but two of the groups increases in value shown in 1940 were due in the largest part to volume. In iron and its products, price increases accounted for more than half of the rise, and in agricultural and vegetable products a loss of about 11 points in volume was offset by a gain of 10 points in price.

*Value and Volume of Canada's Exports by Main Groups, 1935 to 1940,  
Compared with 1935-39 Average*

Main Groups	Imports for Consumption					
	Years ended December 31					
	1935	1936	1937	1938	1939	1940
<b>Values as Declared</b> (In thousands of dollars)						
Agricultural and Vegetable Products.....	229,822	346,981	244,583	190,897	217,345	218,023
Animals and Animal Products.....	97,219	124,695	144,533	118,136	134,577	164,964
Fibres and Textiles.....	9,640	12,227	14,401	13,055	14,428	21,571
Wood and Paper.....	175,871	210,207	262,967	211,613	242,541	348,006
Iron and Its Products.....	50,027	52,304	66,027	60,139	63,102	127,667
Non-Ferrous Metals.....	115,673	134,437	194,876	179,664	182,890	194,712
Non-Metallic Minerals.....	17,900	23,974	30,896	25,013	29,332	33,754
Chemicals and Allied Products.....	16,372	17,750	21,667	19,496	24,463	31,223
Miscellaneous.....	12,453	15,250	17,417	19,571	16,448	39,032
Total.....	724,977	937,825	997,367	837,584	924,926	1,178,952
<b>On the Basis of 1935-39 Average Values</b> (In thousands of dollars)						
Agricultural and Vegetable Products.....	223,919	330,165	194,341	193,571	247,525	221,592
Animals and Animal Products.....	102,344	127,044	137,368	115,582	136,986	159,099
Fibres and Textiles.....	10,405	11,476	12,497	13,939	15,482	20,086
Wood and Paper.....	196,353	228,221	259,140	185,699	224,292	283,694
Iron and Its Products.....	53,940	54,670	65,896	57,019	60,130	84,315
Non-Ferrous Metals.....	125,840	141,129	169,058	183,253	190,069	197,021
Non-Metallic Minerals.....	19,040	24,761	32,252	23,578	27,471	32,094
Chemicals and Allied Products.....	16,568	17,958	20,092	19,470	25,973	33,366
Miscellaneous.....	12,799	15,370	16,207	19,194	16,753	35,649
Total.....	761,208	950,795	906,851	811,305	944,681	1,066,916
<b>Index Numbers of Declared Values</b> (1935-39=100)						
Agricultural and Vegetable Products.....	93.4	141.1	99.4	77.6	88.4	88.7
Animals and Animal Products.....	78.5	100.7	116.7	95.4	108.7	133.2
Fibres and Textiles.....	75.6	95.9	112.9	102.4	113.2	169.1
Wood and Paper.....	79.7	95.3	119.2	95.9	109.9	157.7
Iron and Its Products.....	85.8	89.7	113.2	103.1	108.2	218.9
Non-Ferrous Metals.....	71.6	83.2	120.7	111.2	113.2	120.6
Non-Metallic Minerals.....	70.4	94.3	121.5	98.4	115.4	132.8
Chemicals and Allied Products.....	82.2	89.1	108.8	97.9	121.9	156.8
Miscellaneous.....	76.7	94.0	107.3	120.6	101.3	240.5
Total.....	82.0	106.0	112.7	94.7	104.6	133.3
<b>Index Numbers of Average Values</b> (1935-39=100)						
Agricultural and Vegetable Products.....	99.3	101.7	121.7	94.9	85.0	95.3
Animals and Animal Products.....	95.0	98.1	105.2	102.2	98.3	103.7
Fibres and Textiles.....	92.8	106.7	115.3	93.8	93.3	107.4
Wood and Paper.....	88.7	91.4	100.6	113.0	107.2	121.6
Iron and Its Products.....	92.8	95.7	100.2	105.5	104.9	151.5
Non-Ferrous Metals.....	92.1	95.4	115.6	98.2	96.4	99.1
Non-Metallic Minerals.....	94.0	96.8	95.7	106.1	106.7	105.2
Chemicals and Allied Products.....	99.3	99.3	108.4	100.6	93.9	94.1
Miscellaneous.....	96.2	98.2	106.3	100.9	97.1	108.4
Total.....	94.2	97.5	108.8	102.2	96.8	109.4
<b>Index Numbers of Physical Volume</b> (1935-39=100)						
Agricultural and Vegetable Products.....	94.1	138.8	81.7	81.4	104.0	93.1
Animals and Animal Products.....	82.6	102.6	110.9	93.3	110.6	128.4
Fibres and Textiles.....	81.5	89.9	97.9	109.2	121.3	157.4
Wood and Paper.....	89.8	104.3	118.5	84.9	102.5	129.7
Iron and Its Products.....	92.5	93.7	113.0	97.7	103.1	144.5
Non-Ferrous Metals.....	77.7	87.2	104.4	113.2	117.4	121.7
Non-Metallic Minerals.....	74.9	97.4	126.9	92.7	108.1	126.3
Chemicals and Allied Products.....	82.8	89.7	100.4	97.3	129.8	166.7
Miscellaneous.....	79.7	95.7	100.9	119.5	104.3	221.9
Total.....	87.0	108.7	103.6	92.7	108.0	121.9



*Canada's Domestic Exports by Principal Countries, Excluding Gold*

	Month of February		Two Months ending February	
	1940	1941	1940	1941
	Thousands of Dollars			
All countries . . . . .	71,079	99,596	161,179	186,518
Empire countries . . . . .	37,686	59,720	89,537	106,096
Foreign countries . . . . .	33,393	39,876	71,642	80,422
British East Africa . . . . .	48	1,405	73	1,733
British South Africa . . . . .	1,487	2,658	3,188	5,405
Southern Rhodesia . . . . .	86	136	159	338
British West Africa . . . . .	21	48	93	170
Bermuda . . . . .	89	113	179	209
British India (with Burma) . . . . .	397	2,397	1,038	4,559
Ceylon . . . . .	29	23	74	74
Straits Settlements . . . . .	401	580	1,014	1,145
British Guiana . . . . .	85	328	223	509
British West Indies . . . . .	847	1,530	2,027	2,718
Hongkong . . . . .	248	165	371	307
Newfoundland . . . . .	416	601	966	1,344
Australia . . . . .	3,261	1,932	8,463	3,367
Fiji . . . . .	20	47	105	114
New Zealand . . . . .	286	924	983	1,401
Palestine . . . . .	13	8	114	10
Ireland (Eire) . . . . .	228	642	1,148	833
United Kingdom . . . . .	29,688	46,148	69,243	81,800
United States . . . . .	24,899	34,140	53,708	70,183
Argentina . . . . .	144	547	401	981
Brazil . . . . .	275	561	709	1,221
Chile . . . . .	107	63	272	153
China . . . . .	176	1,220	415	1,654
Colombia . . . . .	170	148	295	257
Cuba . . . . .	139	120	365	366
Egypt . . . . .	69	1,002	194	1,817
French possessions . . . . .	37	50	112	94
Japan . . . . .	1,445	210	3,578	572
Mexico . . . . .	235	281	563	564
Netherlands East Indies . . . . .	92	216	232	333
Panama . . . . .	41	39	96	89
Peru . . . . .	103	87	216	155
Portuguese Africa . . . . .	296	84	483	159
Switzerland . . . . .	74	117	213	147
Hawaii . . . . .	90	33	167	117
Philippines . . . . .	80	203	139	270
Puerto Rico . . . . .	36	50	80	101
Uruguay . . . . .	2	27	13	57
Venezuela . . . . .	159	132	250	213

*Canada's Exports by Commodity Groups and Leading Commodities\**

	Total Exports February		To United Kingdom February		To United States February	
	1940	1941	1940	1941	1940	1941
	Thousands of Dollars					
Total domestic exports . . . . .	71,079	99,596	29,688	46,148	24,899	34,140
Agricultural products . . . . .	15,001	13,324	10,901	8,163	1,820	1,939
Grains (total) . . . . .	6,721	8,205	5,946	7,037	120	333
Wheat . . . . .	5,775	7,857	5,225	7,021	4	94
Wheat flour . . . . .	2,136	2,000	1,611	681	24	7
Animal products . . . . .	10,887	17,210	6,793	11,336	3,294	4,486
Fishery products . . . . .	2,204	2,930	500	944	1,286	1,377
Furs (chiefly raw) . . . . .	1,764	1,357	600	21	1,085	1,184
Meats . . . . .	3,879	10,050	3,733	9,617	65	311
Fibres and textiles . . . . .	1,753	2,057	553	546	152	165
Cotton . . . . .	658	1,179	257	485	....	3
Wood and paper . . . . .	18,405	24,536	3,099	5,140	12,648	16,510
Planks and boards . . . . .	2,913	4,393	1,367	1,926	1,245	1,943
Wood pulp . . . . .	3,399	5,436	189	1,006	2,874	4,336
Paper, newsprint . . . . .	8,247	10,324	379	774	6,800	8,164
Iron and products . . . . .	4,903	12,747	1,344	4,437	305	431
Pigs, ingots, etc. . . . .	449	1,503	325	1,459	29	24
Machinery, other than farm . . . . .	855	1,292	433	725	20	90
Automobiles and parts . . . . .	1,925	7,281	....	1,136	20	19
Non-ferrous metals (excluding gold) . . . . .	14,008	18,462	5,605	11,014	3,911	6,537
Non-metallic minerals . . . . .	2,502	2,754	306	376	1,334	2,014
Chemicals . . . . .	2,294	2,935	557	723	910	1,236
Fertilizers . . . . .	804	1,088	....	....	646	834
Miscellaneous . . . . .	1,325	5,571	530	4,413	524	822

\* Commodities with an export value of \$1,000,000 or more in February are shown.

## MARKET FOR METAL CONTAINERS AND TINPLATE IN JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, March 6, 1941.—There is a fairly good demand in Jamaica for metal containers and tinplate. Of the former, the chief kinds are those used for putting up locally manufactured edible oil, margarine and lard compound (all made from coconuts); canned grapefruit; grapefruit juice; tomatoes; tomato juice; confectionery; polishes; hair-dressing compound; insecticide; and kerosene oil. Crown corks are likewise brought in to a considerable extent. Notes on the trade in all these articles are given below. It is also possible that cans for putting up marmalade, and even paint, will be needed in the future.

These tin containers, which come mostly knocked down, are not separately classified in the customs returns, but those used to pack indigenous Jamaican products are included under the heading "metal containers for island produce," of which imports in the calendar years 1938 and 1939 were as follows:—

### *Imports into Jamaica of Metal Containers for Island Produce*

	1938 £ (C.I.F.)	1939 £ (C.I.F.)
Total . . . . .	12,569	10,033
United Kingdom . . . . .	5,855	4,615
Canada . . . . .	202	145
United States . . . . .	2,154	1,701
Belgium . . . . .	....	495
Costa Rica . . . . .	....	275
Cuba . . . . .	1,186	1,586
Denmark . . . . .	126	59
Germany . . . . .	1,718	238
Holland . . . . .	1,328	919

Total imports in 1940 were valued at £21,162, but countries of origin are not available for publication. No quantities are recorded for any year. The considerable excess of the 1940 imports over those of 1939 and 1938 resulted mainly from a larger demand that developed during the first-named year for cans to be used in the local industries producing edible coconut oil, margarine, lard compound and canned grapefruit and its juice; also from the opening of a small tomato-canning plant. The containers used for these purposes are described below. The larger output of coconut oil, margarine and lard compound follows the expansion of this industry that has been proceeding for some years past; this process has, however, been hastened by war conditions, which have given an all-round impetus to the production of local foodstuffs.

Following are observations on the several types of cans used in Jamaica:

### CANS FOR COCONUT OIL PRODUCTS

*Galvanized Iron Buckets.*—These are for margarine and lard compound, which are made in the island from coconuts. They are of ordinary shape, stoutly built, with lipped lid and four clips for holding the latter in place. They have a capacity of 25 to 28 pounds, and the estimated annual demand is about 20,000. No soldering or mechanical closure is employed; the cover is pushed on by hand and held firmly by the clips.

*Tins.*—Three kinds are used:—

(1) For edible coconut oil, holding 4 imperial gallons, of the same type as the ordinary kerosene oil tin, except that sealing is done by soldering a metal disc over the small circular opening at one of the corners. The top of the can is fitted with a strong metal loop for carrying by hand; this loop works like a hinge so that, for shipment, it can be flattened down. These cans come in shook form and are put together by a forming machine at the plant. About 70,000 are used per annum.

(2) Five-pound cylindrical tins for margarine and lard compound are brought in to the extent of about 100,000 per annum. Formerly they were lithographed but now come plain; sometimes, however, they are lacquered on the inside.

(3) Of 1-pint (imperial) cylindrical tins for coconut oil, resembling elongated cigarette tins, about 60,000 are purchased each year, but one of the factories reports having discontinued their use because their customers prefer bottles.

These 5-pound and 1-pint oil tins come in three separate pieces; tops, bottoms and cylindrical bodies; the last-named are collapsed, with the joints already made, for assembly by forming machine.

#### CANS FOR GRAPEFRUIT AND GRAPEFRUIT JUICE

Two sizes are used: No. 1 holding ten fluid ounces and No. 2, twenty ounces, both being cylindrical and not lacquered or lithographed. They are shipped knocked down, with bodies collapsed and the joints of the latter already made.

Grapefruit is put up in No. 2 tins only, but juice in both sizes. Estimated annual consumption is about 170,000 of the No. 2 and 50,000 of the No. 1.

#### CANS FOR TOMATOES AND TOMATO JUICE

These products are canned in Jamaica to a small extent, the factory using per annum a total of about 50,000 No. 1 and 75,000 No. 2 cans of exactly the same type as those for grapefruit and grapefruit juice.

#### CANS FOR CONFECTIONERY

Cheap boiled candy is made in Jamaica in a fairly large volume, mainly by two manufacturers. One of these, a large firm with other interests, imports, knocked down, about 30,000 cans a year, which are put together by a forming machine. These cans are square, but with rounded corners and detachable circular lids.

A smaller manufacturer using about 10,000 cans a year of similar type has no forming machine and therefore solders his cans together locally, importing them in pieces. The tins made by both these firms hold 7 pounds net.

#### TINS FOR POLISH, INSECTICIDE AND HAIRDRESSING COMPOUND

The manufacture of polish was begun in Jamaica fairly recently and has developed to a moderate extent. The polishes now made are for shoes, cars and floors, and all the tins are imported lithographed and ready for filling. The producers are about to begin making insecticide and hairdressing compound and have arranged to purchase the tins needed for packing these two products.

Shoe-polish tins are used in 3 sizes—large, medium and small—and are of the same flat cylindrical type commonly used in Canada, the United States and elsewhere, each being fitted at the side with a rotating opener. Current annual consumption of large and medium sizes is 100,000 each and of the small size 300,000.

For car polish and floor polish flat cylindrical tins, holding six ounces of the former and one pound of the latter, are used; in both types the lids are detachable. Of these containers the factory buys per annum about 20,000 and 30,000, respectively.

The insecticide tins will be of the customary oblong type, with screw cap at corner of top, used for putting up such liquids, and the factory will need two sizes holding respectively 10 ounces and 16 ounces, to the extent of about 5,000 of each per annum.



The hairdressing compound tins are square, with ordinary removable lid, and the manufacturers anticipate an annual demand of about 50,000.

#### KEROSENE OIL TINS

Kerosene oil, which is extensively used in Jamaica, was formerly imported in 4-gallon (imperial) tins similar to those described above, but in recent years this trade has declined following the development of distribution from bulk stocks carried in trucks to various parts of the country. Some canned oil would, however, normally be brought in, and this was being done until recently when such imports ceased. Kerosene oil is now put up locally in tins of the type and capacity described. The extent of the demand is uncertain, and the development noted can be considered abnormal in the sense that it is a product of wartime conditions. Just before the outbreak of war about 120,000 4-gallon tins of this oil were coming in each year.

#### CANS FOR OTHER PRODUCTS

Jams, preserved fruit, jelly, pickles and turtle preparations have been made in Jamaica to a small extent for many years past by a few manufacturers in a moderate way of business and also (as regards fruit and pickles) by various persons in their homes. Hitherto the favoured container has been the glass jar with metal screw-cap. It is possible, however, that marmalade cans will be needed in future, but no definite information on this point is yet available.

#### LOCAL ASSEMBLY

Those of the above-described containers that are imported in shook form are put together locally by special machines, usually supplied by the shook makers. The shooks, which have certain ridges and grooves, notably on the tops and bottoms, are as a rule designed to fit precisely the relative part of the machine. Seldom if ever do two manufacturers supply shooks identical in this respect.

#### TINPLATE SHEETS

These are used in Jamaica to a considerable extent for making many kinds of containers, the annual demand ranging between four and five million. The containers made locally include those for crude coconut oil, linseed oil, paint, varnish, turpentine, wood preservatives and other liquids, for a simple type of lamp with open burner used by the peasantry and the poorer classes, and for drinking cups, funnels and other household utensils. These sheets are stocked by the hardware stores, the largest seller being a type known in the trade as "I.C.", these letters apparently referring to the strength of the sheets. They are offered in two grades, viz. "prime" and "wasters", the latter having some flaws in the plating and being mostly in demand.

There is a rather smaller demand for tinplate of better grades, denoted by the letters "D.X.", "D.X.X." and "DC", the first-named being used to make citrus oil containers. The trade description is "best charcoal tinplate", and about two tons of this material are bought each year, from which are made some 2,000 cans, each holding two imperial gallons.

The above-described types of tinplate are generally imported without any specific indication of their proposed use, except in the case of sheets for citrus oil containers, which the local manufacturers buy direct.

Other kinds of tinplate for making containers are imported direct by manufacturers of certain products including:—

*Biscuits.*—Unsweetened biscuits are largely consumed in the island, and the local industry has most of the trade, being heavily protected by the customs tariff. The manufacturers import per annum between 45,000 and 50,000 sheets,

from which they make tins of three measurements. The largest of these holds from  $4\frac{1}{2}$  to  $8\frac{1}{2}$  pounds, according to kind of biscuit; the other two from  $2\frac{1}{2}$  to  $4\frac{1}{2}$  pounds.

*Condensed Milk.*—There is a fairly large demand for containers for condensed milk, which is produced in Jamaica at a factory owned and operated by a world-wide organization. They make their own cans from imported tinplate of prime quality, "best coke" being the trade description of this material. At present the factory uses only tins of standard size and shape, to hold 14 ounces of milk, the gross weight when filled being 1 pound. In 1940 it used, in round figures, 1,850,000 such tins.

It is planned to supply in the course of the next few years the entire local demand for condensed milk from this plant, when about 5.5 million cans will be required. The factory's present annual demand for tinplate is slightly more than 100 long tons, and a demand for about 300 tons is in prospect.

As in the case of cans, tinplate sheets are not separately classified in the Jamaican customs returns, being included under the general heading "tin manufactures", which also comprises crown corks and tins for polish, insecticide and hairdressing compound. Imports in the calendar years 1938 and 1939 were as follows:—

*Imports into Jamaica of Tin Manufactures*

	1938 £ (C.I.F.)	1939 £ (C.I.F.)
Total .....	11,664	10,260
United Kingdom .....	4,849	2,621
Canada .....	211	980
United States .....	5,835	5,879
Denmark .....	76	....
Germany .....	481	780
Japan .....	212	....

The value of the 1940 imports totalled £12,527, but countries of origin in respect of that year are not available for publication, nor are quantities recorded for any year.

**CROWN CORKS**

About 10,000 gross of crown corks are imported into Jamaica each month in cases of 200 gross. They are of well-known standard size and are used for sealing bottles containing beer, aerated waters and other locally made beverages. They are used also to some extent for putting up honey. The trade is good and steady.

**TARIFF POSITION**

The Jamaican customs tariff provided that "materials other than shooks, staves and headings of wood, imported by a factory in which agricultural produce is packed, to be manufactured into containers . . . such containers to be those that are sold together with the produce therein packed" shall be free of duty irrespective of country of origin. This tariff item applies to shooks for making containers for coconut, citrus, tomato and other fruit and vegetable products and also to sheets for condensed milk tins.

In the case of citrus oil cans, duty is levied on the tinplate in the first instance because it is not imported by the packers, but the duty so paid may be refunded to any packer by the customs authorities on his satisfying them that the cans are to be used as containers for that product. Shooks used to make cans for kerosene oil, biscuits and confectionery are dutiable because these commodities are not agricultural produce; so also are tins for polish, insecticide and hairdressing compound, crown corks and tinplate, the rates on all these articles being 20 per cent ad valorem under the British preferential tariff and 30 per cent under the general tariff.

The liberal interpretation of the tariff in respect of tinplate for citrus oil, as mentioned above, would in similar circumstances be made in respect of tinplate for any other item of genuine local agricultural produce, each case being dealt with on its merits.

All the articles covered by this report, except materials for packing agricultural produce of the Island, are subject to a package tax of 2s. per cwt. of 112 pounds, irrespective of country of origin.

### IMPORT RESTRICTIONS

Owing to the exigencies of the war, a general policy of curtailing imports of metal goods into Jamaica is being followed, but it is unlikely to affect those of containers for putting up local produce. It is possible, however, that imports of tinplate for other purposes may be restricted to some extent.

### SUPPLEMENTARY INFORMATION

A list of the principal Jamaican importers of metal containers and tinplate, together with more detailed market information, is available to interested Canadian firms on application to the Department of Trade and Commerce. Ottawa (quote file No. 21457).

### MEXICAN IMPORTS OF BISCUITS

Mexico City, March 14, 1941.—With reference to the report entitled "Mexican Market for Foodstuffs", published in *Commercial Intelligence Journal* No. 1937 (March 15, 1941), page 312, Mr. A. B. Muddiman, Canadian Trade Commissioner at Mexico City, writes under date March 14, 1941, that detailed figures have just been issued by the Mexican Bureau of Statistics covering the importation of biscuits into Mexico for the period January to November, 1940. The following table shows imports of the more important varieties by principal countries of supply for the period, with comparative figure for 1939:—

	1939 Kilos	Jan.-Nov., 1940 Kilos
Biscuits totally covered with a paste made with a basis of sugar:		
Total . . . . .	239	115
Germany . . . . .	39	....
United States . . . . .	82	95
Great Britain . . . . .	118	19
Biscuits with sugar adornments, and those filled with a paste made with a basis of sugar or fruit:		
Total . . . . .	2,972	2,780
Germany . . . . .	78	5
Canada . . . . .	....	32
United States . . . . .	1,428	539
France . . . . .	188	108
Great Britain . . . . .	1,199	2,071
Italy . . . . .	....	11
Netherlands . . . . .	56	3
Soda crackers:		
Total . . . . .	2,551	3,081
United States . . . . .	2,467	3,072
British Honduras . . . . .	50	....
Japan . . . . .	34	....
Biscuits and cakes adorned with fruit, and those filled with substances not made with a basis of sugar:		
Total . . . . .	697	587
Germany . . . . .	29	....
United States . . . . .	630	488
Great Britain . . . . .	21	75
Switzerland . . . . .	10	9



	1939 Kilos	Jan.-Nov., 1940 Kilos
Biscuits or cakes the weight of which, including the immediate container, is not over five kilos, for the exclusive use of animals:		
Total . . . . .	2,268	2,044
United States . . . . .	1,452	2,041
Biscuits and cakes, n.o.p.:		
Total . . . . .	19,616	13,677
Germany . . . . .	1,310	2
Belgium . . . . .	12	....
United States . . . . .	16,806	12,298
France . . . . .	131	43
Great Britain . . . . .	867	1,156
Guatemala . . . . .	12	78
Italy . . . . .	32	8
Japan . . . . .	244	90
Netherlands . . . . .	69	....
Sweden . . . . .	102	....
Switzerland . . . . .	11	1

Canadian biscuit manufacturers with supplies available for the Mexican market are invited to communicate with the Canadian Trade Commissioner, Apartado Num. 126-Bis, Mexico City.

## MEXICAN WHEAT CROP

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, March 7, 1941.—With reference to a report on the Mexican wheat and flour markets, published in *Commercial Intelligence Journal* No. 1920 (November 16, 1940), page 675, Mexican wheat production for 1940 has now been officially estimated at 348,000 metric tons.

Although the soft wheat yield in Mexico for last year is apparently sufficient, that of hard wheat was below the country's needs. This deficit will be made up by hard wheat from the United States. It is expected that about 800,000 bushels will have to be imported.

The coming crop of winter wheat, now sown, has been affected by lack of moisture, particularly in the central plateau. It is expected, therefore, that the 1941 crop will show a shortage as in 1940.

## NETHERLANDS WEST INDIES AS A MARKET FOR CANADIAN PRODUCTS

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

[For convenience Mr. Brighton has included in this report some of the information appearing in the pamphlet "Points for Exporters to the Netherlands West Indies." Copies of this pamphlet may be obtained on application to the Department of Trade and Commerce, Ottawa.—Ed.]

Panama City, March 12, 1941.—The Netherlands Territory of Curacao consists of two groups of islands in the Caribbean Sea about 500 miles apart. Curacao, Aruba and Bonaire comprise the larger group, which is part of the Leeward Islands; Saba, St. Eustatius and the southern half of St. Martin form the smaller group and are included in the Windward Islands.

Curacao, the largest and most important island, lies 38 miles north of the coast of Venezuela. It is about 35 miles long and has an area of some 210 square miles. The population is slightly in excess of 60,000 and the majority live in the capital, Willemstad.

The official language is that of the Netherlands (Dutch), but the native population speak mainly their own patois, called Papiamentoe, a mixture

of Dutch, Spanish, Portuguese, English, French and Indian. The principal European languages are spoken fluently in the shops, business offices and clubs.

In normal times Curacao figures on an annual tourist flow of about 40,000 people. Many steamship lines call on regular schedules and numerous cruise steamers include Curacao in their West Indies itineraries. In 1938 a total of 6,872 ships with a gross register of about 27 million tons called at Curacao. These figures do not include the countless Caribbean schooners which are continuously coming and going.

About three-quarters of the imports into Curacao pay only 3 per cent ad valorem and the remainder are relatively unimportant so far as Canadian merchandise is concerned. Consequently, prices are attractive to tourists and a large ship-chandler trade is done. This in turn means that this market is relatively much more important than the size of its population would indicate.

Venezuela, one of the leading petroleum-producing countries of the world, has no oil refineries. The major part of the crude oil produced in Venezuela is brought in small tankers to Curacao or Aruba to be refined and re-exported. On these two islands are located two of the largest oil refineries in the world: that of the Curacao Petroleum Industry Company (C.P.I.M.), a subsidiary of the Royal Dutch Shell, on the island of Curacao, and that of the Largo Oil and Transport Company Limited, a subsidiary of Standard Oil of New Jersey, on the island of Aruba. The Arend (Eagle) Petroleum Company, an associate company of the Royal Dutch Shell, also has a big plant on Aruba.

#### EXPORTS AND IMPORTS

While oil is the life blood of the Netherlands West Indies and any increase or decrease in world consumption is immediately reflected in local business conditions, the islands have small quantities of domestic products available for export. These include hides and skins, divi-divi (a curled bean used for tanning purposes), aloes, panama (straw) hats, crude salt and orange peels (from which the renowned Curacao liqueurs are distilled). In addition, there is a large deposit of calcium phosphate (phosphate of lime) on the island of Tafelberg not far from Willemstad and about 100,000 tons of this product were produced annually before the war and shipped to Baltic ports. The outbreak of the war led the producers to suspend operations but recently they have been resumed on a reduced scale.

The extent of the market available in Curacao and Aruba may be judged from the import figures for 1939. These show imports into Curacao, excluding oil, amounting to 33,331,581 florins or approximately U.S.\$16,824,375, and imports into Aruba, also excluding oil, valued at 22,599,959 florins or approximately U.S.\$12,085,540.

#### INQUIRIES FOR CANADIAN PRODUCTS

The Netherlands West Indies are definitely interested in purchasing from Canada, as is evident from the fact that the writer, during a recent visit to Curacao and Aruba, received no less than 242 inquiries for specific products. These products included the following:—

Canned vegetables and fruits; salmon; sardines; butter in tins; lard; edible oil; evaporated milk; tea; sweet and soda biscuits; rice; jams in glass jars; flour; potatoes in crates; confectionery, candy, chocolates, etc.; processed cheese; dried split peas; kidney beans; tomato catsup; rolled oats; canned fish, salted fish and pickled fish; fresh fruit; cooking oil; onions; wines; beer; gin; flavourings; vitamin tablets; cigars.

Builder's hardware; tiles, floor, wall and roof; windmills; cement; locks, window and door; sanitary ware; construction steel; bars, brass and copper; glass, window; galvanized water tubes, fittings, wire; screening wire; fencing wire, barbed, plain and poultry;

paint; linseed oil; glass bottles and glassware in general; enamelware; hinges; bolts and nuts; toys; aluminium ware; electrical supplies; porcelain ware; shovels; picks; axes and shelf hardware.

Ladies' dresses, hosiery, lingerie and hats; buttons; men's and women's shoes; gift goods and novelties; yarn, knitting; rubber-soled shoes; men's hats and furnishings; sports wear.

Drugs; hair pins; furniture, knocked down; paper, all kinds; chewing gum; hay; scratch feeds; jute bags; sporting goods; shoemakers' requisites; leather, sole; sipping straws; and gramophone records.

### MARKET TENDENCIES

There are few large importers in either Curacao or Aruba, and most of the business is transacted through small firms, each of which carries a wide variety of merchandise. Most of these small concerns prefer to act as importers and purchase direct from foreign suppliers, thus saving the agent's commission. The establishment of direct connections between a Canadian manufacturer and these many small firms, however, is not recommended. In the majority of cases their capital is very limited, and sooner or later losses will occur. Secondly, if a direct connection is established and an exclusive agency arrangement concluded sales will be limited to one small firm, as other retailers will rarely purchase from their competitors.

It is recommended, therefore, that an agent be appointed and sales made through such a representative. In this way the credit risk is to a large extent taken care of. The market is small, and a reliable agent can keep in constant touch with the financial condition of the many small firms, thus protecting the interests of his principal, and at the same time ensure a much wider distribution of his principal's merchandise.

### TERMS OF SALE

With regard to terms, sight draft is suggested. As in other markets in this area, prior to the war extended terms of two weeks, 30 days and 60 days were granted in some cases. The nature of the product and competition offered by various suppliers sometimes dictate the terms that have to be met by a new supplier wishing to enter the market, but in general sight draft will be found acceptable. In some cases cash may be obtained if sufficient inducement is offered in the form of a discount.

### SHIPPING SERVICES

As to many other parts of the world, shipping facilities to the Netherlands West Indies are at present greatly curtailed. No direct services are in operation between Canada and Curacao or Aruba, and all goods shipped by sea from the Dominion must be transhipped. Merchandise from Eastern Canada destined for Curacao can be forwarded either via New York or Port of Spain, Trinidad. Under present conditions shipment via New York is recommended, as there is a regular weekly service provided by the Grace Line as well as other less frequent sailings by vessels of other companies. Shipment via Trinidad generally involves delays up to two and a half months, which is very unsatisfactory from the importer's point of view. Therefore, unless special conditions indicate that shipment should be made via Trinidad and instructions are given to this effect by the importer, this routing is not recommended, and quotations should be made on the basis of shipment through the port of New York.

Shipments to Aruba also should preferably be via New York. The Royal Netherlands Steamship Company operates weekly sailings direct to Aruba, and there are also other less frequent sailings by other lines. Shipments to either Curacao or Aruba from the West Coast would have to be transhipped at Panama.



## BUSINESS CONDITIONS IN GUATEMALA

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(The quetzal is approximately equal in value to the United States dollar.)

Mexico City, March 13, 1941.—The Guatemalan coffee market improved during January and February and continues to maintain this improvement. On the other hand, the banana plantations of the United Fruit Company were heavily hit by a severe hurricane, which destroyed an estimated three million stems of bananas.

The Customs returns for January show revenue of 311,238 quetzales from import duties as compared with 367,523 quetzales in January, 1940, and revenue from export duties at 287,656 quetzales as against 213,347 quetzales.

The total value of imports in January was 1,097,977 quetzales, while exports were valued at 1,347,370 quetzales.

Values of principal exports during January were: chicle, 236,407 quetzales, to the United States; bananas, 171,689 quetzales, to the United States; mahogany and cedar, 16,865 quetzales to the United States and 1,087 quetzales to Canada; hides, 3,115 quetzales, to the United States; ordinary woods, 6,145 quetzales, to Salvador; broom root, 3,478 quetzales to Argentina, Chile and Cuba.

At the opening of Congress on March 1 the President stated that during the financial year ended June 30, 1940, revenue exceeded expenditure by 1,114,650 quetzales, and that on December 31, 1940, the public debt was 736,680 quetzales less than a year earlier. During the first six months of the current financial year expenditures exceeded revenue by 102,040 quetzales, but no special significance need be attached to this short-term deficit.

The position of the Central Bank on January 31 was as follows, comparative figures for the same date in 1940 being shown within parentheses: notes in circulation, 8,048,898 quetzales (8,018,975 quetzales); gold reserves, 7,263,612 quetzales (6,283,350 quetzales); reserves of foreign exchange, 2,695,128 quetzales (2,613,977 quetzales); sight deposits, 10,200,169 quetzales (8,191,323 quetzales).

It should be noted that the 100 per cent customs surcharge has been removed from goods manufactured in any part of the United Kingdom. This step has led to the placing of many orders for British goods by Guatemala. However, a number of inquiries for Canadian sources of supply are still received at the office of the Canadian Trade Commissioner in Mexico City.

## SECOND OFFICIAL ESTIMATE OF ARGENTINA'S 1940-41 CORN CROP

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes under date March 13 that the second official estimate published by the Department of Agriculture of the Argentine Republic shows that the acreage sown under corn during the 1940-41 crop is 15,061,072 acres as against a final estimate of 17,784,000 for 1939-40 and an average of 15,956,302 for the five-year period ending with the 1939-40 season. It is expected that the corn crop will yield 600,000,000 bushels or an all-time record for Argentina. There will be a carry-over of more than 200,000,000 bushels into the new crop year which begins on April 1.

## IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to March 1, 1941:—

	Total Quota	Reduction in	Used by Canada to	
		Duty from	March 1, 1941	
		1930 Tariff Act	Quantity	Per Cent
Cattle (700 lb. or more) . . . .Head	225,000	3 to 1½c. per lb.	17,695	7.9
Cattle (less than 200 lb.) . . . .Head	100,000	2½ to 1½c. per lb.	22,021	22.0
Whole milk . . . . .Gal.	3,000,000	6½ to 3¼c. per gal.	999	....
Cream . . . . .Gal.	1,000,000	56¼ to 28¾c. per gal.	232	....
Filletted fish, fresh or frozen; cod, haddock, hake, pollock, cusk, and rosefish . . . . .Lb.	15,000,000	2½ to 1¼c. per lb.	1,283,704	8.6
Seed potatoes . . . . .Bu.	1,500,000 beginning Sept. 15, 1940	75 to 37½c. per 100 lb.	310,045	20.7
White or Irish potatoes, other than seed potatoes . . . . .Bu.	1,000,000 beginning Sept. 15, 1940	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30.	42,901	4.3
Red cedar shingles . . . . .Square	(*)	Free	593,429	....
Silver or black foxes, furs and articles:				
+Foxes valued under \$250 each and whole furs and skins..No.	100,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	52,500	52.5
Tails . . . . .Piece	5,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	3,927	78.5

\* Duty-free quota for red cedar shingles has not as yet been determined

+ The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the agreement.

During the first quarter of 1941, Canada shipped 17,695 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 34.2 per cent of the quarterly allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the first quarter of 1941 was filled and receipts over and above this amount were subject to the full tariff rate.

Under the classification of silver or black foxes, furs and articles, there were 385 pounds of paws, heads or other separate parts entered or 77 per cent of the quota of 500 pounds; 364 pounds of piece plates or 66.2 per cent of the quota of 550 pounds; and 23 units of articles other than piece plates or 4.6 per cent of the quota of 500 units. However, there is no indication in the statement by the Treasury Department that any of the above articles were imported from Canada.

## SOUTH AFRICAN MERCHANDISE MARKS ACT

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, February 5, 1941.—Legislation concerning the marking of merchandise and of coverings in which merchandise is sold and the use of certain words and emblems in connection with business is pending in the Union of South Africa. A bill dealing with this subject is now before Parliament, and it is anticipated that it will be passed without important amendment. It will become law not earlier than six months after the date on which it is gazetted.

The proposed enactment supersedes antiquated and non-uniform provincial legislation which contains the only regulations now operative in South Africa covering the marking and description of merchandise.

In the bill provision is made regarding the use of trade marks and the application of a false trade description to goods. The Minister of Commerce and Industries is further given power to prohibit the importation of any class or description of merchandise unless specified marking regulations have been complied with.

As regards the sale of imported goods bearing marks in English or Afrikaans, it is provided that these must be accompanied by indication of origin. The paragraph of the bill dealing with this reads as follows:—

Any person who sells or, for the purpose of advertising goods, distributes in the Union any goods which were not made or produced in the Union, and to which there is applied any trade mark, mark or trade description in the English or Afrikaans language, shall be guilty of an offence, unless there is added to that mark or description, in a conspicuous manner, the name of the country in which the goods were made or produced, with a statement that they were made or produced there.

The law prohibits the use of certain unauthorized emblems such as the royal arms, while other trade marks and descriptions may be prohibited at the discretion of the Minister of Commerce and Industries.

A copy of this Merchandise Marks Bill, as it has been introduced into the South African Parliament, is on file at the Department of Trade and Commerce, Ottawa, and is available for inspection by interested Canadian firms.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### ALL IMPORTED TOWELS AND TOWELLING REQUIRED TO BE MARKED

In a review of Australian regulations as to the marking of imported goods, published in *Commercial Intelligence Journal* No. 1898 (June 15, 1940), pages 960-961, reference was made to required markings on towels and towelling of cotton. It is now announced that, as from April 1, 1941, the requirement for the marking of the country of origin will apply to *all* towels and towelling. The marking must be applied by direct stamping in colour which is indelible or removable only by washing in hot water and soap. In the case of separate towels the country of origin must be marked on each towel. In the case of towelling in the piece defined for cutting into separate towels, each towel in the piece must be marked. In the case of towelling in the piece not defined for cutting up, the marking must be at intervals of two yards or less throughout the piece.

#### AMENDMENTS TO IMPORT LICENSING REGULATIONS

Several recent administrative orders under the Import Licensing System of Australia have been received.

For the three-month period January 1 to March 31, 1941, importations of lithopone from non-sterling countries were reduced 100 per cent below the level of imports in the base year ended June 30, 1939. On February 8 it was announced that the restriction covered "cadmium lithopone" and that licences for this commodity would not be issued.

An order of the same date reduced the importation of "graphite stopper heads" 100 per cent below base-year entries.

Importation of gelatine capsules (tariff item No. 255C2) may be licensed up to 100 per cent of the value of imports in the base year under an order of February 13.



The unrestricted issuing of licences for the admission of potassium bichromate from non-sterling countries under an order of February 8, 1940, was withdrawn by an order of February 14, 1941, advice having been received in Australia that supplies of potassium bichromate were available in the United Kingdom for export to Australia.

An order of February 13 announced that the Belgian Congo and Ruanda-Urundi are now countries of the "sterling group" for the purposes of the Australian import licensing system.

### **Ireland**

#### **SUSPENSION OF DUTIES ON HARNESS AND ANIMAL-DRAWN VEHICLES**

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that the Government of Eire has, by an Order dated February 14, 1941, effective from February 15, 1941, suspended the import duty on the following items:—

Harness, saddlery, and component parts thereof, whether completely or partially manufactured, which were formerly dutiable at 40 per cent ad valorem when imported from British Empire countries and at 60 per cent ad valorem from other countries.

Animal-drawn vehicles, formerly dutiable at 50 per cent ad valorem or £10, whichever is greater, when imported from British Empire countries, and at 75 per cent ad valorem or £15, whichever is greater, from other countries; parts for animal-drawn vehicles, formerly dutiable at 50 per cent ad valorem when imported from British Empire countries and at 75 per cent ad valorem from other countries.

The Trade Commissioner states that the suspension of these duties is designed to assist the tillage drive fostered by the Government of Eire.

#### **WHEAT-MIXING REGULATIONS**

Mr. James Cormack, Canadian Trade Commissioner in Dublin, reports that the Minister for Agriculture has issued an Order, under the Agricultural Produce (Cereals) Act, 1935, dated December 20, 1940, which fixes at 50 per cent the national percentage of home-grown wheat to be milled by holders of milling licences during the cereal year September 1, 1941, to August 31, 1942.

#### **EXTRACTION OF FLOUR FROM WHEAT**

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the Controller of Flour and Bread Supplies has made an order, dated January 25, 1941, and effective from January 27, 1941, requiring that any flour produced by millers in Eire shall be of not less than 90 per cent extraction.

In normal times the extraction of flour from wheat has been about 70 per cent, but during the past few months this percentage has been increased in two stages to 75 per cent and 80 per cent and is now further increased. The action now taken is necessitated by the shortage of wheat, and the increase in the extraction should result in a substantial reduction in the usage of wheat for flour milling.

This order also fixes a price for straight-run flour of 52s. 6d. per sack (280 pounds) free on rail, milled at Dublin, Cork, Limerick, and Waterford. The rate per sack remains the same for other milling centres, but freight charges may be added thereto.

## Southern Rhodesia

### ADDITIONAL LIST OF PROHIBITED IMPORTS FROM NON-EMPIRE COUNTRIES

With reference to the notice in *Commercial Intelligence Journal* No. 1937 (March 15, 1941), pages 327 and 328, respecting import and exchange control in Southern Rhodesia, an Order of February 7, 1941, adds the following to the list of specified goods which cannot be imported into Southern Rhodesia except under a special permit, unless the goods are grown, produced or manufactured in the British Empire: Blankets and rugs; china and porcelain ware; cigarettes; cigars; cutlery; earthenware; enamelware and hollow-ware; firearms; glass bottles and jars; glassware; hurricane lanterns; millinery, drapery, haberdashery and textile articles of furnishing and napery; motor vehicles; padlocks; quilts; shawls; tooth powders, tooth pastes and tooth washes; torches.

An Order of January 24, 1941, states that specified goods shall not be deemed to be grown, produced or manufactured within the British Empire unless they contain the Empire content determined under the Customs and Excise Tariff Act, which for most goods is 50 per cent.

## Newfoundland

### WAR REVENUE TAX ON MEATS AND FEEDS

In Newfoundland a war revenue tax of \$1.50 per barrel on beef and pork, salted in barrels, and 15 cents per 100 pounds on animal and poultry feeds (dog and pet foods excepted) was substituted, as from March 8, 1941, for the 7½ per cent ad valorem rate leviable on nearly all goods imported from non-sterling countries since November 30, 1940.

## Jamaica

### DIFFICULTIES OVER IMPERFECT CERTIFICATES OF ORIGIN

The need for careful preparation of certificates of origin for goods to be entered under the preferential tariff is emphasized in a report by Mr. F. W. Fraser, Canadian Government Trade Commissioner at Kingston, Jamaica. The instructions apply equally to other British West Indian markets and the many parts of the Empire where preferential tariffs are in operation.

Normally, when a certificate of origin is imperfect, the importation is subjected to the general tariff instead of the lower preferential tariff applicable to Canadian goods accompanied by a properly prepared document. When the certificate is defective, the importer has to enter into correspondence with the exporter abroad and explain the regulations. It is greatly to the advantage of Canadian exporters to save their customers this trouble.

While most Canadian exporters are executing documents in accordance with requirements, it appears that some are not complying fully with official regulations. By way of example, a prominent importer in Jamaica has called attention to the exporter omitting to insert the name of the country of origin in the column headed "country of origin". In another case he reports the document was not signed by a responsible member of the firm. There are many details of this nature to be attended to by the manufacturer or exporter. In the absence of these details the document is incomplete. Headings and blank spaces in printed forms indicate the kind of information required for administering the tariff in the importing colony.

Any Canadian firm desiring precise advice on preparing forms may obtain assistance by writing to the Department of Trade and Commerce, Ottawa.

**PREFERENTIAL TARIFF REGULATIONS ON SHIPMENTS FROM WEST COAST OF CANADA**

With reference to the announcement in *Commercial Intelligence Journal* No. 1901 (July 6, 1940), page 33, to the effect that the Jamaican Government would grant British preferential tariff treatment to Canadian goods from the West Coast of Canada, even if transhipped in the United States or Canal Zone, information has been received that it is proposed to terminate this concession from and including April 1, 1941. The normal requirement under the Jamaican tariff is that Canadian goods must be shipped direct from a Canadian port, without transhipment at a foreign port, in order to qualify for the preferential tariff of Jamaica. This requirement, however, had been suspended as regards shipments from the West Coast of Canada, subject to termination as soon as adequate shipping facilities permitted.

**St. Vincent****RESTRICTIONS ON IMPORTATIONS OF PAPER**

A Notice from the Competent Authority in St. Vincent, B.W.I., dated January 31, 1941, and gazetted on February 4, states that the following goods are prohibited import from all sources: Advertising show cards, calendars, compliment slips, greeting cards, printed or blank menu cards, novelties, paper cups, paper handkerchiefs, paper plates, paper saucers, paper table cloths, programs, visiting cards, window and counter display devices, Christmas crackers. It is stated that advertising show cards and window and counter display devices may be licensed for importation if the application is made before the goods are shipped, accompanied by a declaration that no funds will leave the Colony, directly or indirectly, to cover the cost.

**British Honduras****STOCKS OF CERTAIN GOODS TO BE REPORTED**

An Order of the Supply Officer in British Honduras, dated March 1, 1941, made under the Defence Regulations of 1939, requires dealers in flour, rice, beans, lard, margarine, beef, preserved milk, and tea to submit returns on the 15th and last day of each month showing stocks on hand and receipts with name and address of suppliers, also sales in excess of specified retail quantities. The order requires that the stocks on hand of potatoes, coffee, blue mottled and brown laundry soap, kerosene, cigarettes, and locally manufactured sugar be reported.

**Tonga****PORT AND SERVICE TAX IMPOSED**

An Act of the legislature of the British Protectorate of Tonga, dated August 16, but effective as from July 1, 1940, imposed on all imported goods, with a few minor exceptions, a "port and customs service tax" of 3 per cent ad valorem.

**TARIFF AMENDMENTS**

A Customs Duties Amendment Act of the same date increased the rates on undressed timber (lumber) from 1s. 6d. per 100 superficial feet under the British preferential tariff and 2s. 6d. under the general tariff to 2s. and 3s. respectively. The rates on dressed or surfaced timber were increased from 2s. and 3s. per 100 superficial feet to 2s. 6d. and 3s. 6d. under the respective tariffs.



Cigars and cigarettes, formerly 8s. per pound under the British preferential tariff and 10s. per pound under the general tariff, were advanced to 11s. and 13s., while rates on manufactured tobacco were increased from 5s. and 7s. per pound to 7s. and 9s. per pound under the respective tariffs.

Other articles on which duties were increased were beer, spirits, petroleum products, and sugar.

The British preferential tariff of Tonga applies to products or manufactures of Canada and all other parts of the British Empire. Goods from non-British countries are subject to the general tariff. Rates of duty on many other items of the Tongan tariff were published in *Commercial Intelligence Journal* No. 1812 (October 22, 1938) page 745.

## TRADING WITH THE ENEMY

### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent Germany and Italy from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be avoided. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many Italian and German subjects carry on business in neutral countries without assisting Italy or Germany, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned.

Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

The complete Canadian List, in the form of a Consolidation of the Canadian Lists of Specified Persons, is now obtainable for a price of 10 cents from the Distribution Branch, Department of Public Printing and Stationery, Government Printing Bureau, Ottawa. It contains the names of more than 2,000 persons, principally in Europe, Latin America, Japan and China. The List is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain a copy of the Consolidation of the List and at the same time to arrange to receive revisions as published.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 24, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 24, 1941, and for the week ending Monday, March 17, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Mar. 17	Nominal Quotations in Montreal Week ending Mar. 24	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2644	.2644	3½
Switzerland . . . . .	Franc	.1930	.2576	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2283	.2280	3
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2570	.2564	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4391	.4391	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0594	.0574	—
Hongkong . . . . .	Dollar	.....	.2710	.2710	—
India . . . . .	Ruppee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Tinned Salmon, Mainly Chum...	60	Georgetown, British Guiana.....	Purchase and Agency.
<b>Miscellaneous—</b>			
Coloured Poster Paper in Reams.	61	Port-au-Prince, Haiti.....	Purchase and Agency.
Wheels for Railway Rolling Stock	62	Rio de Janeiro, Brazil.....	Purchase.
Spring Steel in Bars.....	63	Dublin, Ireland.....	Purchase.
Casein or Erenoid Sheet for Mak- ing Buttons.....	64	Cape Town, South Africa.	Agency.
Glycerine, Chemically Pure.....	65	Dublin, Ireland.....	Purchase and Agency.
Necktie Cloth, Fancy Colours on Rayon.....	66	Mexico City, Mexico.....	Agency.
Woollens and Worsted (piece- goods).....	67	New York City, New York.	Agency.



# COMMERCIAL INTELLIGENCE SERVICE

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C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

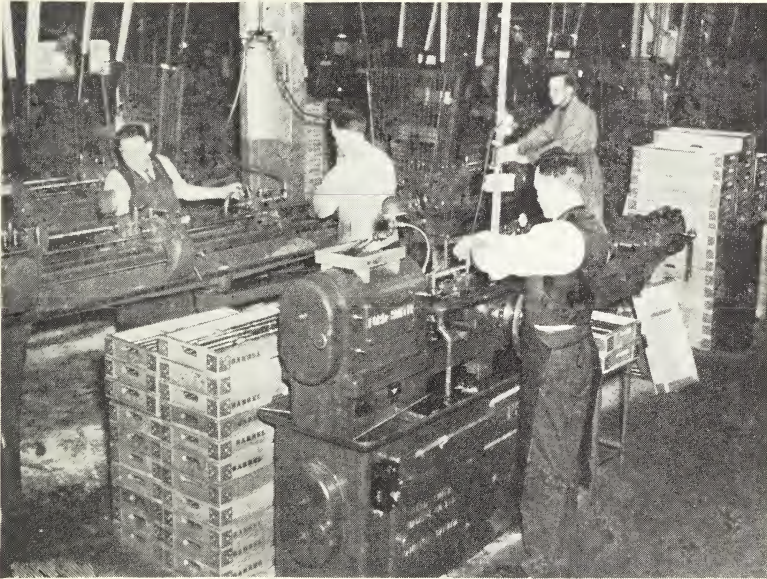
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# COMMERCIAL INTELLIGENCE JOURNAL

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Ottawa, April 5, 1941

No. 1940



Machinists Operating Lathes that turn out Barrels for Bren Guns

*Photo—Public Information*

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER





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Ottawa, April 5, 1941

No. 1940

## OVERSEAS TRADE OF AUSTRALIA, JULY-DECEMBER, 1940

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(£1 Australian equals approximately \$3.60 Canadian.)

Sydney, February 15, 1941.—Preliminary figures issued by the Commonwealth Statistician covering the first six months of the 1940-41 fiscal year (July to December, 1940) show more clearly than earlier figures the effect of the Australian import restrictions on a wide variety of commodities imported from non-sterling countries, including Canada. For the six months under review an unfavourable commodity balance of trade of £stg.4,006,000 was recorded as compared with a favourable balance of £stg.5,818,000 for the corresponding months of the previous year.

The following table shows the movements of merchandise during this period and the corresponding previous period in British and Australian currencies:—

### *Australia's Merchandise Trade, July-December*

	July-Dec., 1939 £stg.	July-Dec., 1940 £stg.
Exports.. . . .	53,106,000	53,570,000
Imports .. . . .	47,288,000	57,576,000
Balance .. . . .	+ 5,818,000	— 4,006,000
	£A	£A
Exports .. . . .	66,515,000	67,097,000
Imports .. . . .	59,228,000	72,114,000
Balance.. . . .	+ 7,287,000	— 5,017,000

The movements of bullion and specie are not included in the above values, as they are not available for publication during the war.

As will be noted above, export figures in the July-December period of 1940 remained at about the same level as for the similar period of the previous year, while imports increased from £stg.47,288,000 to £stg.57,576,000 or from £A59,228,000 to £A72,114,000. This increase in imports is accounted for almost entirely by urgent war requirements, including aircraft, machine tools, and vital war materials to build up reserve stocks.

As reported in *Commercial Intelligence Journal* No. 1925 (December 21, 1940), page 803, statistics regarding the direction of trade are not now published, and therefore a comparison of the trade by countries is not possible. The general effect, however, of import restrictions and the trend in the movement inward and outward of essential commodities as compared with that of non-essential

and luxury items is shown by the following figures of exports and imports by main classes:—

*Australian Exports and Imports by Main Classes*

	Total Exports		Total Imports	
	July-Dec., 1939	July-Dec., 1940	July-Dec., 1939	July-Dec., 1940
	Pounds Australian		Pounds Sterling	
Foodstuffs of animal origin . . . . .	19,644,309	15,855,832	711,558	511,984
Foodstuffs of vegetable origin . . . . .	10,346,043	16,232,596	2,377,866	2,056,475
Spirituuous and alcoholic liquors . . . . .	882,585	741,750	350,351	384,118
Tobacco and preparations thereof . . . . .	150,489	228,647	931,227	204,153
Live animals . . . . .	114,910	92,174	51,946	21,487
Animal substances, not foodstuffs . . . . .	22,836,957	20,890,096	860,298	715,762
Vegetable substances and fibres . . . . .	160,514	197,582	1,418,676	2,116,311
Apparel, textiles and yarns . . . . .	316,751	676,974	9,890,779	13,613,868
Oils, fats and waxes . . . . .	545,478	477,024	*	*
Paints and varnishes . . . . .	75,910	96,136	255,173	389,038
Stones and minerals . . . . .	1,322,670	925,363	385,340	559,633
Metals, metal manufactures and machinery	7,386,443	6,397,381	12,559,468	18,789,123
Rubber and leather . . . . .	574,320	700,307	942,255	1,246,770
Wood and wicker . . . . .	563,107	686,480	934,519	484,533
Earthenware, cements, glass, etc. . . . .	87,168	99,639	821,051	812,828
Paper and stationery . . . . .	214,145	182,407	2,994,095	3,564,415
Jewellery and fancy goods . . . . .	78,267	41,681	745,948	406,158
Surgical and scientific instruments . . . . .	188,928	196,078	742,634	862,861
Drugs, chemicals and fertilizers . . . . .	513,244	600,607	2,524,025	3,160,564
Miscellaneous . . . . .	513,137	1,777,963	*	*
Totals . . . . .	66,515,375	67,096,717	47,287,917	57,575,852

\* Included in total.

### EXPORTS

All export figures are shown in Australian currency and, as shown above, the total value during the period under review increased slightly from £A66,515,375 to £A67,096,717. Australia's exports are largely of primary products, and it is, therefore, noteworthy that the Commonwealth maintained its volume of outgoing trade despite serious shipping difficulties and extremely adverse climatic conditions, the latter being particularly widespread during the period under review, with heavy losses in cattle, sheep and wheat.

Of the principal items showing increases in the second half of 1940, foodstuffs of vegetable origin and non-alcoholic beverages were exported to the value of £A16,232,596 as compared with £A10,346,043 in the previous period, an increase of £A5,886,553, which was due largely to increased exports of wheat flour, dried fruits, and fodders. Apparel, textiles and manufactured fibres showed an increase of £A360,223, total exports amounting to £A676,974 as compared with £A316,751 in the previous period, the increase being chiefly in piece-goods and manufactured fibres. Rubber and leather and manufactures thereof increased from £A574,320 to £A700,307. As a result of increased production of drugs, chemicals and fertilizers, exports showed an improvement from £A513,244 to £A600,607.

In the group of animal substances, not foodstuffs, which include hides and skins and wool, exports of greasy wool declined from £A17,525,485 to £A13,592,088. It is understood, however, that this decrease was largely due to redistribution of shipping following the arrangement between the United Kingdom Government and the United States whereby large reserve stocks would be held in the latter country. This decrease, incidentally, was in a large part compensated for by heavier exports of scoured wool and wool tops, which increased from £A2,525,713 to £A4,777,369.

Decreases were greatest under the heading "foodstuffs of animal origin," exports of which declined from £A19,644,309 to £A15,855,832. The main items under this heading contributing to this decrease were frozen meats, including beef, lamb and mutton, although the export of eggs, butter substitutes, pork, milk and cream showed satisfactory improvement. Exports of spirituous and alcoholic liquors also declined, from £A882,585 to £A741,750, chiefly due to a decline in exports of Australian wines to the United Kingdom from £A718,631 to £A269,626. Oils, fats and waxes, chiefly unrefined tallow, showed a decrease from £A545,478 to £A477,024; ores and concentrates, from £A1,322,670 to



£A925,363, again largely due to shipping and transport difficulties; and metals and manufactures other than machinery, from £A6,806,736 to £A5,420,493, chiefly due to export restrictions and increased war and industrial activities within the Commonwealth. Among other items showing decreases were paper and stationery, jewellery, timepieces and fancy goods, and essential oils.

As previously mentioned, the foregoing figures of values and the types of commodities exported show the increased trend in the Commonwealth toward meeting the needs of the United Kingdom and other parts of the Empire in connection with the war effort. It is expected that this trend will continue as a result of the established priority regulations in respect of vital war needs.

### IMPORTS

(All import values are in pounds sterling.)

The increase of £10,287,935 in total imports from £47,287,917 in the six months ended December 31, 1939, to £57,575,852 for the period under review, is shown by the type of commodities imported from overseas into the Commonwealth.

#### COMMODITIES SHOWING INCREASES

Among the principal items showing increases were:—

*Vegetable Substances and Fibres.*—Imports under this heading increased from £1,418,676 to £2,116,311, an improvement of £697,635. The main items with increases were pulp for papermaking, £437,537 (£118,854); raw cotton, £422,869 (£181,960); and linseed, £344,933 (£203,643), the latter designed to increase domestic production of linseed oil.

*Textiles.*—Textile imports showed a marked increase to £9,709,297 (£6,724,390), an improvement of £2,984,907. The main items were cotton and linen piece-goods, £4,314,478 (£2,557,672); canvas and duck, £555,039 (£278,314); silk including artificial silk, £1,854,489 (£1,494,425); sewing and other cottons, threads, £411,018 (£201,571).

*Yarns and Manufactured Fibres.*—These commodities were also imported to the higher value of £3,249,580 (£2,331,326), an increase of £918,254; the main items were wool packs, cordage and twines, artificial silk yarns, cotton yarns, and bran and chaff bags.

*Paints and Varnishes.*—Imports of paints and varnishes, chiefly for army and naval use, increased to £389,038 (£255,173).

*Stones and Minerals, including Ores and Concentrates.*—Imports under this heading showed an improvement of £174,293, increasing to £559,633 (£285,340).

*Metals, Metal Manufactures and Machinery.*—Imports in this group accounted for one of the more important increases, being valued at £6,724,502 (£5,851,352), an improvement of £873,150. The chief items were: covered wire and cable, £698,533 (£582,730); motive-power machinery (excluding electric), £1,359,373 (£969,998); roller bearings and ball bearings, £202,221 (£90,463); yarn-making and textile-making machinery, £398,009 (£123,750).

An indication of the trend of trade in the group is afforded by the decreases in imports of items not directly connected with war activities, viz. agricultural, horticultural, etc., machinery, £44,074 (£116,821); dairying machinery, £37,710 (£111,013); printing machinery, £53,828 (£99,393); batteries and accumulators, £15,841 (£33,440); weighing machines, £14,231 (£18,357).

*Metals and Manufactures other than Machinery.*—A noteworthy increase of approximately 100 per cent was shown in imports under this heading, from £6,708,116 to £12,064,621. This increase was chiefly in other metals and metal manufactures, £8,415,431 (£2,715,265). This group covered particularly essential war requirements, including special alloy steels, tools and parts for aircraft production, and similar items.

The effect of the Australian import restrictions is particularly apparent in this group. Imports of motor chassis and parts decreased from £2,742,898 to

£2,336,207, while lamps and lampware, motor cycles and side cars, and wire also showed decreases.

*Rubber and Leather.*—Imports in this class increased from £893,631 to £1,192,133, chiefly due to increased imports of crude rubber and rubber waste.

*Paper and Stationery.*—Imports under this heading also advanced, from £2,006,596 to £2,799,415. This group includes millboards, parchment, printing, wrapping, writing and typewriting paper.

*Optical, Surgical and Scientific Instruments.*—Imports in this group showed a rise of £120,227, from £742,634 to £862,861. The increase is chiefly accounted for by greater imports of surgical and dental instruments, £304,818 (£184,557); optical and meteorological instruments also showed an increase, £67,925 (£60,186).

*Drugs, Chemicals, etc.*—Imports of drugs, chemicals, etc., increased from £2,524,025 to £3,160,564, mainly in proprietary and other medicines, non-spirituous essential oils, acids, argol, cream of tartar, and other drugs and chemicals.

#### COMMODITIES SHOWING DECREASES

The main import commodities showing decreases were as follows:—

*Foodstuffs of Animal Origin.*—Imports in this class decreased from £711,558 to £511,984, chiefly fish preserved in tins, £277,112 (£414,102); fresh, smoked, potted and concentrated fish, £115,930 (£148,703); sausage casings, and potted and concentrated meats.

*Foodstuffs of Vegetable Origin and Non-Alcoholic Beverages.*—Similarly under this heading imports decreased from £2,377,866 to £2,056,475, the main decreases being in confectionery, dried fruits, fruits and vegetables preserved in liquid, unprepared grain and pulse, infants' and invalids' foods. There was a marked decrease in imports of tea, from £1,592,407 to £1,241,312.

*Tobacco and Preparations Thereof.*—A decline of £727,074 to £204,153 (£931,227) occurred in imports of this group, almost entirely accounted for by the restrictions on the importation of unmanufactured tobacco.

*Animal Substances, not Foodstuffs.*—These imports also declined, from £860,298 to £715,762, chiefly in hides and skins and raw silk.

*Apparel and Attire.*—Imports of apparel and attire of the manufactured types decreased from £835,063 to £654,991, practically all classes under this group being affected including: blouses, skirts and costumes; boots and shoes; buttons; gloves; hats and caps; socks and stockings; and trimmings and ornaments. These goods are practically all subject to drastic import restrictions, and domestic production is rapidly expanding to take care of essential items.

*Wood and Wicker, Raw and Manufactured.*—Imports under this heading declined from £934,519 to £484,533. The chief decreases were in undressed and dressed timber, the result of the import restrictions. The respective figures for imports of these items were £319,453 (£703,265) and £43,942 (£84,363).

*Stationery and Paper Manufactures.*—Imports of stationery and paper manufactures also declined, from £987,499 to £765,000. This group includes stationery, printed books and catalogues, price lists, and circulars.

*Jewellery, Timepieces and Fancy Goods.*—Imports in this group showed a marked decrease, from £745,948 to £406,158, practically all items in the group being included under the Commonwealth restrictions, such as articles for games, fancy goods, toys, precious stones (unset), timepieces, watches and clocks. The last-mentioned is the leading import item under this heading, imports being valued at £110,026 (£238,204).

*Miscellaneous.*—Under miscellaneous items, declines were recorded in trunks, boxes and cases, £82,429 (£143,119); brushware, including vacuum cleaners, £51,821 (£115,747); pianos, £5,936 (£14,224); other musical instruments and parts, £31,264 (£41,224); and soap, £19,928 (£32,286). The miscellaneous items mentioned are now all subject to partial or total import restriction.

## SUMMARY OF THE TRADE OF CANADA: MONTH AND TWO MONTHS ENDING FEBRUARY, 1941

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of February, 1941				Two Months ending February, 1941			
	From United Kingdom		From United States		From United Kingdom		From United States	
	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$
<i>Imports for Consumption</i>								
Agricultural and Vegetable Products.....	10,179,678	682,468	3,751,908	21,662,927	1,192,786	7,837,494		
Animals and Animal Products.....	2,983,402	322,811	1,880,855	6,144,876	719,000	4,025,045		
Fibres, Textiles and Textile Products.....	9,820,019	3,430,480	3,572,243	21,379,056	7,204,027	7,319,614		
Wood, Wood Products and Paper.....	3,131,540	152,008	2,933,198	6,428,932	376,826	5,820,035		
Iron and its Products.....	30,793,513	1,009,037	29,771,488	62,055,143	2,282,292	59,522,528		
Non-Ferrous Metals and their Products.....	6,742,817	564,647	5,537,539	17,271,263	1,411,904	10,401,874		
Non-Metallic Minerals and their Products.....	8,904,810	729,839	6,982,687	13,531,793	1,698,835	13,025,337		
Chemicals and Allied Products.....	3,961,334	385,617	3,433,557	8,061,132	914,382	6,880,390		
Miscellaneous Commodities.....	13,114,515	2,820,825	10,160,429	31,474,968	8,580,438	22,554,323		
<b>Total Imports, 1941.....</b>	<b>89,631,628</b>	<b>10,097,732</b>	<b>68,013,904</b>	<b>188,014,090</b>	<b>24,380,540</b>	<b>138,286,640</b>		
1940.....	71,041,553	9,527,262	50,029,107	142,145,698	19,468,546	98,004,710		
1939.....	40,380,234	7,238,647	27,006,621	84,122,918	14,355,234	55,790,164		
<i>Exports (Canadian Produce)</i>								
<i>Exports (Foreign Produce)</i>								
Agricultural and Vegetable Products.....	13,323,783	8,162,432	1,939,392	21,746,058	12,800,324	3,796,153		
Animals and Animal Products.....	17,209,770	11,336,097	4,485,720	30,297,979	17,356,183	10,597,285		
Fibres, Textiles and Textile Products.....	2,056,841	546,385	165,044	3,483,914	768,361	285,852		
Wood, Wood Products and Paper.....	24,536,170	5,139,578	16,510,241	49,951,815	10,744,538	33,192,097		
Iron and its Products.....	12,746,566	4,437,047	6,430,638	28,157,821	10,245,336	846,246		
Non-Ferrous Metals and their Products.....	18,452,521	11,014,430	6,537,441	34,022,737	18,968,879	13,513,706		
Non-Metallic Minerals and their Products.....	2,754,216	375,662	2,014,130	5,196,604	988,423	3,837,668		
Chemicals and Allied Products.....	2,935,280	722,883	1,235,821	5,364,546	1,213,028	2,444,418		
Miscellaneous Commodities.....	5,571,267	4,413,115	821,890	11,297,437	8,955,035	1,699,766		
<b>Totals, 1941.....</b>	<b>99,596,443</b>	<b>46,147,029</b>	<b>34,140,287</b>	<b>189,517,911</b>	<b>81,800,107</b>	<b>70,183,191</b>		
1940.....	71,078,946	29,687,557	24,899,468	161,179,079	69,243,285	53,708,132		
1939.....	37,571,572	22,775,613	19,697,711	127,653,324	48,329,267	45,028,338		
<i>Exports (Foreign Produce)</i>								
<b>Totals, 1941.....</b>	<b>935,801</b>	<b>143,400</b>	<b>527,848</b>	<b>2,967,082</b>	<b>817,745</b>	<b>1,116,338</b>		
1940.....	1,235,125	20,652	1,163,062	1,988,829	55,104	1,819,856		
1939.....	671,278	71,166	546,943	1,398,379	146,989	1,137,769		
<i>Excess of Imports (i) or all Exports (e)</i>								
<b>Totals, 1941.....</b>	<b>(e) 10,900,708</b>	<b>(e) 36,193,357</b>	<b>(i) 33,345,709</b>	<b>(e) 1,470,903</b>	<b>(e) 58,237,312</b>	<b>(i) 66,987,111</b>		
1940.....	<b>(e) 1,272,518</b>	<b>(e) 20,181,257</b>	<b>(i) 23,966,587</b>	<b>(e) 21,022,210</b>	<b>(e) 49,829,843</b>	<b>(i) 43,076,722</b>		
1939.....	<b>(e) 17,862,616</b>	<b>(e) 15,608,132</b>	<b>(i) 6,761,967</b>	<b>(e) 44,928,785</b>	<b>(e) 34,120,722</b>	<b>(i) 9,624,057</b>		



AUSTRALIAN TOBACCO PRODUCTION AND MANUFACTURE

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, January 31, 1941.—A report submitted by the Canadian Trade Commissioner at Sydney entitled "Market for Tobacco in Australia," was published in *Commercial Intelligence Journal* No. 1906 (August 10, 1940). This report dealt with the cultivation of tobacco in Australia, the quantities annually produced in each state, the development of the Tobacco Investigation Committee, and the experiments of the Commonwealth Council for Scientific and Industrial Research to solve various problems of the Australian tobacco grower. The report also discussed the import tobacco trade of the Commonwealth, set forth in detail the items of the Commonwealth customs tariff affecting tobacco imports and indicated the extent of the tobacco manufacturing industry of Australia.

The Tariff Board of the Commonwealth of Australia has recently published a report on tobacco and tobacco manufactures. This report deals with a study made for the Minister of Trade and Customs on the four following questions:—

- 1. To permit profitable growing of tobacco, could reasonable classification and grading of tobacco be undertaken? Are prices paid to growers fair and reasonable? Can a reasonably profitable price be assured to the grower?
- 2. Would changes in excise rates be justified?
- 3. Are stocks of Australian tobacco sufficient to justify a larger percentage of that leaf in Australian tobacco products and can a larger proportion of Australian tobacco successfully be utilized?
- 4. Are present scales of import duties and differential excise sufficient to promote the economic development of the tobacco-growing industry?

NATURE OF INFORMATION COLLECTED

To collect information, members of the Tariff Board visited many widespread centres in the Eastern States, inspected tobacco-growing areas, attended tobacco auction sales, interviewed agricultural experts and visited one of the larger tobacco factories of the Commonwealth. The report of the Tariff Board briefly reviews the history of tobacco growing and culture in Australia and sets forth in some detail the various customs duties and excise duties which have been levied and collected on Australian tobacco and tobacco products since before Confederation. The report also contains a history of the several investigations the Tariff Board had previously made into the tobacco industry, the first of which was held in 1923, and relates the effect on the industry of changes which were made in the customs and excise duties. For example, the customs duty had been raised from two shillings per pound on August 23, 1929, to five shillings and two pence per pound by December 3, 1930. The effect of this particular increase on the tobacco-growing industry can be seen in the following table:—

	Acreage	Yield in Pounds
1919-29 (ten-year average) . . . . .	2,400	2,000,000
1930-31 . . . . .	3,665	1,795,966
1931-32 . . . . .	20,266	12,202,429
1932-33 . . . . .	23,037	9,498,970

The evidence collected by the Tariff Board during its 1931 investigation demonstrated the unhealthy nature of this boom. Land was sold at extravagant prices, the soil of many areas was unsuitable, and many of the growers were ignorant of the technique of tobacco-growing. However, on February 2, 1932, the customs duty on tobacco, at the suggestion of the Tariff Board, was reduced to three shillings on leaf for the manufacture of tobacco, excepting fine leaf for the manufacture of cigarettes.

That the fears of the Tariff Board were justified can be seen in the fact that of the 1931-32 crop over 12,000,000 pounds consisted of inferior dark leaf. As

the result of the arrangement made by the Commonwealth Government with the tobacco manufacturers, this inferior leaf was purchased, but it meant that the factories were loaded up with such stocks that their ability to purchase in subsequent seasons was greatly reduced.

### EFFECT OF REDUCTION IN DUTY

The reduction in duty introduced in 1932 had an almost immediate effect on the growers. By 1934-35 the area under tobacco had declined to below 9,000 acres and, although there was a slight recovery during the three succeeding years, by 1938-39 the area had fallen to only 7,820 acres. This almost continuous reduction in acreage naturally resulted in certain hardships and losses, and during the last investigation of the Tariff Board considerable quantities of disused equipment of appreciable value were everywhere noticed, in addition to which there seemed to pervade, almost as an inevitable legacy, a sceptical attitude on the part of many towards the possibility of future extension.

However, many of the unsatisfactory conditions seem now to have been eliminated, growers are certainly more experienced, land capable of raising a tobacco crop is now being used for the more suitable types of tobacco, and air-cured leaf is no longer produced. There are many other problems in connection with the tobacco-growing industry which still await solution, and these, including the meeting of climatic conditions, methods of culture and the checking and controlling of pests and diseases, are the subject of investigation, research and instruction by such bodies as the Council for Scientific and Industrial Research, State departments of agriculture and tobacco manufacturers.

### SUGGESTIONS FOR IMPROVEMENT

When the Tariff Board was investigating these matters, it found that the opinions of growers as to the measures which the Government should take to improve the industry varied widely. This divergence is understandable considering the great differences in conditions in the various widely separated growing areas. The very fact of geographical distances renders impossible the conduct of practical discussions with a view to arriving at agreement regarding, for example, remedial measures. Most growers favoured higher average prices, and some advanced the belief that a price controlling authority should be created.

Growers, however, did agree that, as the smoking public were accustomed to certain definite types or brands of tobacco, manufacturers must use suitable varieties of tobacco leaf. At present the demand is largely for tobacco manufactured from bright leaf, and indications are that the quantity of suitable leaf produced in Australia has barely been sufficient to permit the use of such leaf in the minimum percentages specified in the tariff. This not only prevents an increase in the percentage of Australian tobacco which could be used, but it is doubtful if the limited supply of suitable bright leaf has enabled manufacturers to mature it properly. In fact it was suggested to the Tariff Board that the popularity of some brands had been adversely affected owing to the necessity for including insufficiently matured leaf.

### GRADING AND PRICES

The Tariff Board was asked to ascertain whether Australian tobacco manufacturers were classifying Australian-grown tobacco leaf according to reasonable qualities and grades. The Tariff Board found that all growers realized that manufacturers must grade tobacco in accordance with their requirements and, despite some adverse reports from one area, the general view of growers was that the grading by manufacturers was not unreasonable.

As to whether or not prices paid to growers for tobacco leaf by manufacturers were reasonable, the Tariff Board found that this was largely a matter



of opinion. Growers naturally would be inclined to support the view that prices were low, but the Tariff Board noted that current prices seem to result in fair returns to the majority of growers. In fact the Tariff Board found that current prices were high enough to ensure the growing of tobacco on nearly the present scale, but possibly not on a scale high enough to induce any great expansion of the growing areas. The Tariff Board noted a general desire among growers for measures which would enable them to "bargain" on more equal terms with tobacco purchasers but reported that efforts to organize co-operative action to the same end had failed. It was considered that co-operative action among growers should be a matter for the growers, with perhaps some organization assistance from State governments.

The Tariff Board felt also that the most powerful means in the hands of the Government for encouraging the industry were the differential rates of duty charged on leaf imported for blending with Australian tobacco leaf. Present indications are that the quantity of Australian leaf produced has not been sufficient to enable manufacturers to blend to the extent required to obtain the benefit of the lower duty and at the same time to provide for the maturation regarded as essential to the manufacture of acceptable tobacco.

The Tariff Board did not feel that the enforced payment of an average price for all tobacco grown, so widely advocated by growers, was practicable unless a satisfactory method of typing and grading were developed. The Board felt also that periodical conferences of government experts, growers and manufacturers provided the best means of ventilating the problems of the industry and, if continued, might in time result in the evolution of standardized methods of grading leaf, which in turn might induce a greater flexibility in the requirements of the customs tariff and permit the introduction of some control of prices.

#### EFFECT OF INCREASING DIFFERENTIAL EXCISE RATES

The Tariff Board expressed the view that an increase in the differential excise rate in favour of tobacco in which only Australian-grown leaf is used, would have no effect on the condition of the industry, but it did recommend subdividing the present margin of eight pence per pound as follows:—

Percentage of Australian Tobacco in Blend	Excise Duty Per Lb.
Less than 25 per cent. . . . .	5s. 2d.
25 per cent or over and less than 50 per cent. . . . .	5s. . .
50 per cent or over and less than 75 per cent. . . . .	4s. 10d.
75 per cent or over and less than 100 per cent. . . . .	4s. 8d.
100 per cent . . . . .	4s. 6d.

A similar sliding scale for cigarettes is not recommended, as Australian tobacco leaf for the manufacture of machine-made cigarettes is not grown in sufficient quantities. The scale set forth should not result in a large immediate increase in the consumption of Australian tobacco, and therefore will not seriously affect excise revenue, but it might encourage manufacturers to assist in developing a taste for Australian tobacco among Australian smokers.

#### BASIS OF ECONOMIC DEVELOPMENT OF THE INDUSTRY

The Tariff Board reports that neither the production nor the stocks of higher-grade Australian leaf are at present sufficient to justify specifying higher percentages being used in the manufacture of tobacco. The Board stated that it was doubtful whether the supply of local leaf available has enabled manufacturers to mature it properly. However, it is possible that the future will bring an increase in the production of higher-grade tobacco and the use of higher percentages of Australian tobacco permitted.

The Tariff Board recorded its opinion that the further development of Australia's tobacco-growing industry does not lie in the provision of different



import or excise duties. In this connection the Board refers to its opinion, quoted above, regarding differential excise rates, as this suggestion may have some effect in encouraging a larger use of Australian tobacco if local production of suitable tobacco should expand.

However, notwithstanding the value of these recommendations the Tariff Board still holds the basic view that the economic development of Australia's tobacco-growing industry rests almost entirely on the co-operative efforts of growers, manufacturers and the technical officers of State and Commonwealth departments. The Tariff Board feels furthermore that it is desirable for the Government, through its representatives at tobacco conferences, to maintain supervision of the industry, and recommends annual conferences with adequate representation of growers and manufacturers as well as technical officers. The Tariff Board concludes with the observation that conditions in the industry are affected by the war, but to these effects it has not given any great weight. Some of these effects may promote development, others may possibly hinder but, as the war conditions are temporary, the suggestions of the Tariff Board are based upon the long-term view.

### CHARCOAL MARKET CONDITIONS IN THE UNITED KINGDOM

Replying to an inquiry on the present possibilities for sales of charcoal from Canada in the United Kingdom, Mr. A. E. Bryan, Canadian Trade Commissioner at Liverpool, has supplied the following information and views on the United Kingdom charcoal market:—

Rapid changes in the technique of charcoal burning have made it possible to dispense entirely with imports. As a result of the encouragement lent to the industry by the Forestry Commission, on various United Kingdom estates where the felling of timber has been going on, the production of kiln-burnt charcoal by the use of a new type of portable steel kiln, which can be moved from one operation to another, has increased greatly; in fact, so much so that the Forestry Commission now has on hand considerable reserve stocks which it is distributing on behalf of the various producers.

Before this locally-made charcoal was available, the imported product was selling at approximately £12 per ton c.i.f. Liverpool. Now kiln-burnt charcoal can be purchased for £11 per ton carriage paid from the Forestry Commission and by dealing direct with some of the producers for £10 per ton.

Up to the present Canadian producers have not been able to meet these prices, the best quotation from Canada being in the neighbourhood of £12 per ton. This is due to the fact that the firms in Canada producing charcoal generally do not recover the by-products, which are of greater value than the charcoal itself, and consequently that their returns on the charcoal must cover their entire overhead. Before the war, Swedish, German and Polish charcoal was laid down in Liverpool at £5 per ton, costing about £3 per ton f.o.b. Such charcoal was a by-product and could be sold at a loss in view of the returns from the other wood derivatives.

Importers would be pleased to have Canadian retort charcoal if they could obtain permits, as they do not deny that the quality of the locally-made kiln-burnt charcoal leaves much to be desired. The possibility of obtaining permits for imports from Canada depends entirely on the Ministry of Supply.

Members of the trade in the United Kingdom feel that there will be a good market opportunity for the Canadian product after the war when local felling operations will cease. Canadian producers should plan to take advantage of this opportunity; but if they are to make a success of the business they must be willing to dispose of their charcoal at a loss, if necessary, and make their profits on the wood derivatives, in the same way as charcoal producers in other countries did prior to the war.

## NEW ZEALAND'S ORCHARD AND FIELD CROPS

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

### FRUIT

Auckland, February 24, 1941.—The New Zealand fruit marketing authorities are again faced with the problem of disposing of the country's entire fruit crop in the domestic market. At this time last year, owing to the loss of the United Kingdom market, the situation was serious, and the Government fully expected to suffer a heavy loss on its fruit dealings. Fortunately late in the season the United Kingdom called for supplies of apples, and the stock position was much relieved by shipments totalling approximately 587,000 bushels.

The prospects for the current season so far as exports are concerned are extremely unfavourable. The limited refrigerator cargo space available at New Zealand ports will be entirely occupied with meat and dairy products, the demands of which will receive attention before those of fruit. Furthermore the United Kingdom control of imports of fruit has been considerably tightened.

The marketing authorities, however, are again fortunate in that the 1940-41 crop of fruit is estimated to be from 400,000 to 500,000 cases less than last year's total of 2,880,000 cases. By the provision of extra cool storage facilities and other accommodation, it is fully expected that an orderly marketing of the fruit will be spread evenly over the year, with a minimum disturbance of normal price levels. An intensified campaign to increase the consumption of fruit in all forms will be carried on throughout the year. In this connection much interest is being shown in the efforts in Canada to do likewise.

Particulars of the production and export of apples and pears for the last two seasons and estimates for the current season are as follows:—

Season	Production		Exports	
	Apples	Pears	Apples	Pears
	Bushels	Bushels	Bushels	Bushels
1939.. . . . .	2,150,000	300,000	945,557	98,122
1940.. . . . .	2,506,535	242,352	587,000	.....
1941 (estimated) .. . . .	2,276,596	282,004	.....	.....

### WHEAT, OATS AND BARLEY

Forecasts have now been made of the yield per acre of the 1940-41 season's crop of wheat, oats and barley. They are as follows:—

Season	Wheat	Oats	Barley
	Bu. per Acre	Bu. per Acre	Bu. per Acre
1940-41 (estimated) .. . . .	35.0	46.0	37.0
1939-40 .. . . .	31.1	41.8	36.2

The foregoing estimate for wheat shows a yield per acre well above last season's average and also above the average of the last ten seasons. The complete estimates for wheat with last season's results, and the ten-year average results, are shown in the following table:—

	Yield per Acre Bushels	Area for Threshing Acres	Total Yield Bushels
Estimated, 1940-41 .. . . .	35.0	240,000	8,400,000
Ascertained, 1939-40 .. . . .	31.1	257,532	8,010,089
Ascertained yearly average, 1930-31 to 1939-40 .. . . .	31.4	243,515	7,583,148

Six months ago the Wheat Committee forecast that for the season 1940-41 there would be 300,000 acres of land under wheat. This acreage at an average yield would produce some 9,600,000 bushels and thereby render New Zealand independent of imports apart from a small importation of hard wheat for blending purposes. The hopes of the Committee, however, have not been

realized, since the acreage for the current season at 240,000 is less than for 1939-40 and, if it were not for the high yield per acre expected, New Zealand would be farther from her objective of being self-sufficient in wheat production than she was last season. Approximately 9,000,000 bushels must be produced before imports can be dispensed with. Under the strict government control of wheat purchases, imports are kept to a minimum and are obtained almost exclusively from Australia.

Regarding oats, the estimated yield is well above last season's figure of 41.8 bushels. It is also higher than the average yield of 42.68 bushels for the past ten seasons. The total crop of oats this year is expected to reach 2,810,000 bushels as against 2,081,106 bushels for 1939-40.

The barley crop at the expected yield of 37 bushels per acre should total approximately 1,020,000 bushels. This compares with 915,805 bushels in 1939-40.

Australia supplies the great bulk of New Zealand's overseas requirements of oats and barley. During the past two seasons, however, imports have been substantially reduced.

#### TOBACCO

It has recently been announced by the Ministry of Supply that New Zealand can expect a record crop of tobacco during the season 1940-41, with the promise of the best quality yet produced. The 2,500 to 3,000 acres now in production will yield approximately 3,000,000 pounds of leaf. This figure compares with 1,402,617 pounds in 1938-39 and 1,555,631 pounds in 1939-40. The acreage under tobacco during the two previous seasons was 1,807 and 1,828 respectively.

This increase in the production of tobacco dates from 1935, when the Government encouraged the growing of tobacco by the promise of an assured market and a higher price. In 1935 the growers received as low as 5s. per pound for cured tobacco; to-day the price is approximately 10s. per pound.

The expanded market for domestic tobacco has been provided by the complete prohibition of the imports of cigarettes and cut tobacco since July, 1939. Most of the popular English brands of cigarettes are now manufactured locally and undoubtedly contain a percentage of New Zealand tobacco. This applies also to pipe tobaccos except that, as previously, the brands are domestic.

The values of the imports of cigarettes and tobacco during the last three years are as follows:—

	1938		1939		1940	
	Quantity	£ (N.Z.)	Quantity	£ (N.Z.)	Quantity	£ (N.Z.)
Cigarettes (thousand) . . . . .	568,400	463,000	421,906	337,255	122,947	91,730
Tobacco manufactured (lb.) . . .	1,064,600	242,700	623,762	143,952	10,296	3,346
Tobacco, unmanufactured (lb.) . .	2,945,221	320,700	5,452,313	545,957	6,168,943	596,035

Although imports of cigarettes and manufactured tobacco have been prohibited since July, 1939, certain quantities have been permitted entry under special licence. The increase in the purchases of leaf tobacco is explained by the greater manufacturing activity. With the step-up in tobacco production, imports from abroad during the current year are likely to shrink somewhat.

With the exception of a negligible quantity from the East Indies and the Philippines and 10,000 pounds from Canada in 1940, New Zealand has obtained all her tobacco from the United States. Efforts are now being made to obtain a greater share of this business for Canada, and to this end samples and prices of the Dominion's latest crop are at present before the New Zealand purchasing authorities.

#### FLAX

As reported in *Commercial Intelligence Journal* No. 1908 (August 24, 1940), page 282, New Zealand is growing linen flax for export to the United Kingdom.



At first it was intended to bring 15,000 acres under production, but this was later reduced to 13,000 with an expected yield of 3,000 tons of fibre. The latest reports indicate that the 3,000 tons will be realized, though in some districts, owing to exceptionally dry weather, the crops are not as good as they might be. These poorer crops will serve to provide seed, for which there is a certain demand from the United Kingdom.

The acreage of flax to be sown in 1941-42 will be at least as great as in the current season. Under the purchase arrangement with the British Government, New Zealand will be paid at c.i.f. rates equivalent to those being paid for fibre from Irish crops of corresponding grade.

## MARKET FOR GLOVES IN SOUTH AFRICA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, January 27, 1941.—There are favourable prospects at present for Canadian glove manufacturers to develop an export trade to the Union of South Africa. Importers are entirely dependent upon overseas sources of supply, as gloves are not manufactured locally. The demand is not large but is fairly steady. The United Kingdom has obtained a high percentage of the better-class leather glove business for many years, and British manufacturers are still able to make regular shipments. Certain types of gloves were formerly obtained from Poland, Germany, Italy, France, Czechoslovakia and Belgium, and buyers are now forced to obtain their requirements from other sources.

### TYPES IN DEMAND

Work gloves are used only to a very limited extent, and sales are small. Men's leather gloves other than dress gloves are worn only in the winter months (June, July and August), and for this reason volume business is not available. The largest demand is for ladies' gloves of all types, which are worn to a limited extent at least throughout the year. There is also a considerable outlet for men's cotton gloves cheaply priced for the native trade. Leather gauntlets are sold, but their use is by no means widespread, and orders are for limited quantities only. There is an increasing market for household and surgeon's rubber gloves.

### LADIES' GLOVES

The types of ladies' gloves now coming from the United Kingdom in some volume are those manufactured from heavier skins, such as grained leathers and hogskins. The sponge-clean type is also a popular line. Most recent quotations on such gloves of good quality range upward from 40s. per dozen pairs f.o.b. United Kingdom factories. Prior to the war the largest selling lines in South Africa were ladies' glacé kid or glacé lamb. The pre-war price on glacé lamb was 27s. 6d. per dozen pairs and upward, and on glacé kid from 35s. per dozen. Lighter types of lamb "nappa", both lined and unlined, were also popular. Czecho-Slovakia supplied the largest proportion of the "nappa" type, prices for good grade of lined gloves being 32s. 6d. and for unlined 27s. 6d. Continental manufacturers also did some trade in smartly designed ladies' gloves of cotton and suede fabric of both light and heavy qualities for summer and winter wear. Ladies' sueded lamb and sueded kid gloves were introduced a few years ago and enjoyed considerable popularity before the war.

### MEN'S GLOVES

As in the case of ladies' gloves, the better class men's leather glove trade is in the hands of United Kingdom exporters. The season during which men's

gloves are worn is very short, being limited to about three months. Exceptionally cold weather is not often encountered in South Africa, and therefore lined gloves are seldom required. The best selling line is unlined grain leathers, for which United Kingdom manufacturers are quoting 46s. per dozen pairs. Lined gloves of similar make are priced at 54s. per dozen pairs. In addition to grains, capes, hogskins and imitation hogskins are in some demand. Under normal conditions there is a market for men's white cotton lisle and cotton suede gloves for evening wear. These were priced at 8s. 6d. per dozen pairs prior to the outbreak of hostilities. Men's gloves are largely confined to two styles, button unlined and lined.

The largest potential demand for men's cotton gloves is from the natives. Gloves priced at approximately 6s. per dozen pairs are the best sellers in this, the cheapest end of the trade.

### IMPORTS

The value of imports of leather and other gloves into the Union of South Africa from the principal supplying countries for the calendar years 1939 and 1938 are shown in the tables below:—

#### *South African Imports of Leather Gloves*

	1939	1938
Total . . . . .	£52,042	£59,383
United Kingdom . . . . .	8,547	10,035
Poland . . . . .	8,287	15,311
Germany . . . . .	7,112	2,625
Italy . . . . .	6,950	4,397
France . . . . .	6,152	2,972
Belgium . . . . .	4,609	4,985
Czecho-Slovakia . . . . .	4,534	14,677
Japan . . . . .	2,649	1,763
United States . . . . .	963	714
Greece . . . . .	353	18
Canada . . . . .	248	370

#### *South African Imports of Other Gloves, Including Rubber*

	1939	1938
Total . . . . .	£6,139	£4,651
United Kingdom . . . . .	2,376	2,106
United States . . . . .	2,596	1,645
Canada . . . . .	993	424

The disruption of trade between the Union of South Africa and European countries should result in increased business for the United Kingdom, the United States and Canada.

### DISTRIBUTION

The practice most widely followed in South Africa for the distribution of the majority of imported articles, namely, the appointment of a manufacturers' agent, is recommended for the sale of gloves. It is particularly important that an agent handling textiles and wearing apparel be chosen. Care should also be taken to locate an agent regularly covering the entire country and in a position to sell to all the leading wholesalers and larger retailers, of which there are many.

### DUTIES

Gloves, with the exception of those made wholly of rubber and those made especially for industrial and sporting purposes, are dutiable at 15 per cent ad valorem. This rate applies to imports from all countries.

## AGRICULTURAL CONDITIONS IN IRELAND IN 1940

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, February 25, 1941.—During 1940 weather conditions were very favourable to Irish agriculture generally, although the unusually dry summer adversely affected pasture. Both root and field crops grew well and were well harvested, while cattle and all farm fowl and animals were healthy and strong. Agriculturists, however, continued to complain that they were unable to make ends meet, and the fortunes which were to have been created for them by war purchases did not materialize owing to the stringent control of prices and the rationing of food in their only export market, the United Kingdom.

Nevertheless, prices for most of the farmers' produce were well maintained during the year, although offset by rising prices and shortages of fertilizer, feed and supplies of farmers' requisites. A century ago Ireland planted double the area that there is under cereal and potato crops to-day, but due to manures, better seed, less disease, and better machinery, present yields are considerably higher than they were then.

Towards the end of 1940 it began to be apparent that supplies of grain and feed could not continue to be imported into Ireland on the former scale, if at all, because of losses of cargoes en route, shortage of shipping space of normal suppliers, the fact that Eire has no merchant marine capable of crossing the Atlantic, and the impossibility of chartering freighters. Earlier in the year these goods might have been more easily imported, but the opportunities for doing so were not taken advantage of to the extent that they should have been, and the country now finds itself definitely short of these commodities. Accordingly the Government has recently instituted a more strenuous campaign to encourage more tillage. The total arable land of Eire amounts to 11,500,000 acres and after the outbreak of war each holder of 10 acres or more (two-thirds of the farmers of Eire have farms of 30 acres and less) was compelled to till and cultivate one-eighth thereof. In September last that fraction was increased to one-sixth and later to one-fifth. To replace imports the Government has aimed at 1,000,000 acres of extra tillage in 1941, half for wheat and half for feed. To maintain the present number of live stock, 500,000 acres under oats, barley and potatoes would be required for feed. In addition, farmers were encouraged to grow more produce by increases in the fixed prices they were to receive for certain grains.

### CATTLE

There was a certain amount of negotiation during 1940 between the Ministry of Agriculture of Eire and the British Ministry of Food over cattle and meat prices. Despite needs and despite pressure, the market appears to have been a buyers' one, due to the strict rationing of the British people, the lack of an alternative market for Eire, and the restricting by the United Kingdom of licences to import cattle during September, October and November to 2,000 head per week. Early in 1940 the British Ministry of Food took over the control of all fat cattle from Eire on their arrival at United Kingdom ports, but the trade in stores was left free.

Exports continued freely throughout the year, although no figures are available. Losses from enemy action in the Channel were surprisingly few. The price of 10d. per pound, paid by the Ministry for Irish beef during 1940 was, however, increased in December, to take effect from January 1, 1941. An increase of one penny per pound (rising gradually to twopence farthing in June) was announced for first-quality bullocks, heifers and cow-heifers exported from Eire to the United Kingdom up to June, 1941.

A statement by the Department of Agriculture in Dublin stated at that time that prices fixed heretofore for cattle purchased by the British Ministry were



not regarded as adequate to induce farmers to engage in stall feeding, with the result that this practice was not adopted so far this season to any appreciable extent, and large numbers of animals which would normally have been finished in this country were exported as stores. The new scale of prices should, however, make stall feeding a sound proposition and it is hoped that stock owners, particularly those who have supplies of home-grown feeding stuffs on hand, will now avail themselves of the opportunity of finishing cattle in considerable numbers. As a feature of Irish farming economy, stall feeding holds a very important place to the extent that it provides a profitable outlet for home-grown fodder and grain of various kinds and also makes valuable farmyard manure available for tillage crops. Having regard to the extent to which increased cultivation is now being undertaken, it is essential, in order that the land may be kept in good heart, that the largest possible supplies of animal manures should be available for the potato, sugar beet and root crops in the coming season, particularly with the shortage in the supply of artificial manures.

The scale of prices now announced covers the first half of this year. At this stage it is difficult to predict what the prices will be in the second half or what conditions may obtain in the cattle trade generally. As happened in the autumn of 1940, restrictions may have to be placed on the export of cattle if a glut of home-produced fat cattle develops in Britain at that season. Accordingly, stock owners in this country are being strongly advised to bring as many cattle as possible to the finished stage in the first half of this year, and thus obviate the loss and disappointment caused by any restriction which may be imposed in the autumn.

#### SHEEP

In January, 1940, an agreement was entered into with Great Britain regulating the shipment and prices of sheep and cattle. Prices were fixed in March. In September, 1940, the Department of Agriculture of Eire made an order prohibiting the export of sheep except under permit. These permits were issued on the basis of quantities exported in the corresponding period of the previous year, as disclosed by departmental records. About that time transport in the United Kingdom had been somewhat disorganized and there was a glut of home-killed mutton in the shops. Prices of sheep were controlled in the United Kingdom and an increase in the price was announced towards the end of 1940 to take effect from January 27, 1941. As regards sheep these prices show an all-round increase of one penny per pound. They were as follows: Fat lambs, 13½d. per pound dressed carcass weight; unthrifty lambs, 8d.; sheep, 12d.; lightweight ewes and overfat sheep, 8d.; rams, unthrifty sheep and heavy-weight ewes, 7d. per pound.

#### PIGS AND BACON

The market for pigs and bacon had many ups and downs during the year. At the end of 1939 the export market to the United Kingdom changed, a lighter type of pig being required, and new pig prices were announced in February, 1940, with a view to encouraging producers to sell pigs at the required bacon weight. As from March 1 the Eire Department of Agriculture removed the restrictions on the number of pigs which might be killed in bacon factories, enabling them to be bought at fairs without taking into consideration production quotas or periods. The new prices were designed to give a wide gap between the lighter and the heavier types, of which latter there was an overproduction. Under the order, class 1 and class 2 pigs, suited for the production of good quality bacon, were given a classification weight of 1 cwt. 2 qr. and 17 lb., as compared with the former weight of 1 cwt. 3 qr. The price for class 1 was increased from 94s. per cwt. to 97s. per cwt., and those of class 2 from 92s. per cwt. to 94s. per cwt. The heavier type of pig, which weighs more than 1 cwt. 2 qr. 17 lb. was to be sold at 85s. per cwt., which is a reduction of 4s.

In April, 1940, the British Ministry of Food announced an increase of sixpence in the price of pigs imported from Eire to 19s. per score dressed carcass weight for fat pigs up to nine score deadweight. That was equivalent to about 106s. per cwt. deadweight. In May pig prices increased so that local bacon curers were advertising for pigs of 1 cwt. 7 lb. at a price of 103s. Owing to British rationing of food and import quotas for bacon, by midsummer, there was surplus bacon in the hands of Irish curers and a threat of control of the numbers of live pigs to be admitted. Rising prices of bacon in Eire were stopped in August, 1940, by the Minister of Supplies, by an order which limited the price of bacon to 30s. per cwt. over the current prices ruling in August, 1939, this price being cut to 22s. per cwt. in November. These reductions were made to induce the consumption of bacon in Eire, seeing that feed was running short and the United Kingdom could not be persuaded to increase the bacon quota.

At the same time the Pigs and Bacon Commission in Eire was authorized to purchase and retain surplus pigs within the limits of their capacity to maintain them, and farmers were advised to use caution in the number of pigs to be bred. The Commission advertised to purchase sows of not less than  $3\frac{1}{2}$  cwt. (live weight) at 50s. per cwt. (live weight). The pig and bacon trade was obviously in a bad way in Eire towards the end of the year, although in November the British Ministry of Food agreed to increase the quota of live pigs accepted weekly from Eire from 1,000 to 1,500. In January, 1941, the United Kingdom increased its quota of bacon by 25,000 cwt. This caused a sudden rise in prices, so that the retail price of bacon in Dublin today is several pence per pound higher than that ruling in the autumn, best back smoked rashers costing 2s. 5d. per pound—a record price.

#### WHEAT

The average wheat yield in Eire is about 20 bushels to the acre. During 1940 only 2·5 per cent of the arable land of Eire was devoted to wheat growing and more than twice that amount (some 600,000 acres) would have to be sown this year to ensure that there would be no shortage of bread, which is to an overwhelming extent the staple foodstuff of the country. Imports of wheat normally make up about 60 per cent of the total consumption. In 1931 only 20,848 acres were sown to wheat, but in 1938 the area was increased to 230,426 acres, in 1939 to 255,280 acres, and in the year under review to 305,243 acres. The amount aimed at this year is 600,000 acres.

To encourage farmers to sow the additional acreage to wheat many devices have been adopted by the Government. The chief one is a guarantee of the price which the farmer will get for all millable wheat harvested in 1941, a price of not less than 40s. per barrel as against 37s. 6d. last year. Speeches and broadcasts by members of the Government have stressed the necessity for increased wheat production, and broadcasts, circulars, lectures, etc., by officials and others have done much to help along the project by appealing to patriotism and by demonstrating methods of production. Millers have been compelled to increase the wheat extraction of flour for baking from the normal 70 to 90 per cent, and this increase will in turn lessen the amount of offals for feed. Despite the good grain harvest of 1940 and the extra purchases made by the government-sponsored non-profit company—Grain Importers (Eire) Ltd.—handling all grain, it has been announced by the Department of Agriculture that the amount of wheat in hand will scarcely last till next harvest, but that every effort will be made to obtain some shipping space for imports. No official figures are available on the wheat imported for milling in 1940, but some 60 per cent of it was Plate and Pacific wheat and the balance Canadian. In view of the large amount of soft home-grown wheat anticipated, a larger percentage of Canadian hard wheat would normally be saleable here now, if deliveries could be made.

## SEED WHEAT

After the 1940 wheat crop had all been sown Dublin merchants were reported to have still on hand a considerable quantity of seed wheat. They had reckoned on 400,000 acres being sown, but seed for only about 75 per cent of that area was used. Unfortunately some of this surplus seed was milled as flour and now the country finds itself with a bare sufficiency of seed for winter sowing and a distinct shortage of imported pedigree spring varieties. The Government has tried to get as much as possible of winter wheat in the ground before the end of February and has advised farmers that mixed seed and locally grown wheat will have to be used later on as seed. While sowing the required acreage, this mixed seed will tend to lessen the yield and will also deplete the wheat which might otherwise be milled for flour. The price of seed wheat at the time of writing ranges from 47s. 6d. to 55s. per barrel in Eire. Although soil conditions towards the end of the year hampered the sowing of wheat except in some of the drier areas, the area in crop compared favourably with the previous year. Shoots of the earlier sowings of winter wheat presented a healthy and uniform appearance.

## OATS

Some 750,000 acres in Eire were sown to oats for 1940 harvest and the crop was reported to be very good. Farmers, however, did not sell it freely, or speculators bought much of it to hold for an increase in price, since millers reported last summer that they could not get a sufficient supply to carry on the maize meal mixture scheme. At the outbreak of war Eire imported a considerable surplus of oats, but in 1940, except at the beginning of the year, space was devoted more to wheat and few oats were brought in. Accordingly there is a distinct shortage of supplies and the future outlook is far from good.

Some Canadian oats were brought in during 1940, partly No. 2 Canadian Western double-screened seed oats and partly Canadian Victory. The former found a ready market, mostly for milling, but the latter was thought more suitable for seed. However, the farmers had always been accustomed to using Scotch seed oats (of which only a small quantity was allowed to leave Great Britain in 1940) and merchants found some difficulty in selling Canadian Victory without advertising. However, the shortage in supplies has given it a market and it is hoped that results and yields will be such as to create a call for Victory oats in future in competition with Scotch varieties.

Imported oats of all kinds will be wanted in Eire this year, as animal feed will be very scarce unless the United States supplies ships and cargoes. At the end of November, 1940, the maize millers of Eire were actually advertising to "growers and holders" that they would pay £7 15s. per ton, seller's station, and £8 per ton delivered mills, for oats bushelling 38 lb. Unlike wheat, oats have never been the subject of fixed prices in Ireland.

## BARLEY

It is estimated that in 1940 some 138,000 acres were sown with barley as compared with 73,800 acres in the previous year, when the acreage was unusually small owing to the stimulus given to wheat growing at a guaranteed price. The crop was of excellent quality and the yield good; but owing to the high price of imported feed of all kinds and the shortage of maize coming in, barley was a very necessary feedstuff for pigs and cattle and growers delayed threshing it as long as possible and stored as much as possible to obtain a good price. Millers advertising for barley in December for mixing for animal feed got little response from the farms, even though farmers were asked to name



their own prices. The Minister for Agriculture therefore put an end to the compulsory scheme for the admixture of local grain with imported maize to mix as animal feed.

The purchases of Messrs. Arthur Guinness & Co. for brewing have always an important effect on the barley trade of Eire and in 1939 this firm agreed to purchase 400,000 barrels of the 1940 local crop. In October last they agreed to increase this amount to 500,000 barrels at the price of 30s. per barrel of 20 stones. At the end of 1940 this firm also agreed with the Grain Committee of the Irish Beet Sugar Growers' Association to buy 400,000 barrels of the 1941 crop suitable for malting at the price of 37s. 6d. per barrel, which brought the price somewhat in line with the government-guaranteed price of wheat for that season.

#### SEED BARLEY

In the spring of 1940 there was a shortage of seed barley in certain districts of Eire, and all indications pointed to an increased acreage in new areas to supply the obvious deficiency in cattle feed that appeared to be general. Seed where it was available was then selling at about 40s. per barrel, but the price has increased since. For several years Eire has used home-grown seed barley, mainly the progeny of pedigree strains propagated at the Department of Agriculture plant-breeding station. While seed will not be plentiful in 1941, it is thought that there is sufficient to discount any uneasiness.

#### OTHER BARLEY

A good trade in pot and pearl barley, formerly imported from Holland, was built up for Canada in 1940. So much was brought in that it amounted to considerably more than normal requirements and the surplus was probably re-sold to the United Kingdom. Most of it came from the Pacific Coast. Details of this trade were published in *Commercial Intelligence Journal* No. 1896 (June 1, 1940).

#### GRASS SEEDS

The bulk of the consumption of grass seeds in Eire consists of perennial and Italian rye-grass seeds. Nearly all the former and much of the latter is produced locally. Clover seeds and seeds of natural grasses, normally imported, are available in reasonable quantity for the coming year, but after that supplies are doubtful. So long as ample supplies of rye-grasses are available, a temporary shortage of clovers and natural grasses will not materially affect Irish pasturages.

#### POTATOES

Potatoes have always been Ireland's major crop. The area planted to potatoes in 1940 was roughly 367,000 acres, an increase of some 50,000 over 1939. Besides their production for human consumption and export, potatoes are largely grown in Eire for use as feed for pigs and poultry. They are used especially for the latter purpose since the stoppage in imports of maize, one ton of which is equivalent to four tons of potatoes as feed. Normally some 350,000 tons of maize are imported annually, and to replace that quantity, about 150,000 acres of potatoes would have to be planted. Last year potatoes, especially small and waste potatoes, were used in Eire as raw material for the local alcohol factories, but the alcohol factories are now in course of being closed down. Certified seed potatoes were entitled in April, 1940 (as in 1939), to an export bounty of 15s. per cwt. when going to the United Kingdom, but it is expected that the bounty will not be renewed in 1941 unless there is a surplus.

### BEET

The growing of beet for sugar in wartime has become an essential activity and in the spring of 1940 a special appeal by the Government was made to farmers to include beet with other food crops. As a result some 63,000 acres were planted to beet, an increase of some 21,250 acres over 1939. From the crop the four factories produced 92,000 tons of white sugar and 58,000 tons of molasses pulp for feed. A certain amount of sugar cane was imported during the year, so that supplies of sugar are now assured until spring, 1941. The value of the 1940-41 crop of beet to the growers was reckoned at nearly £2,000,000. Seed (usually imported) cannot now be imported from the Continent, but there are reserve stocks to supply 16 pounds per acre. The Irish Sugar Company has been producing some seed beet for the past four years and it has proved satisfactory. For beet with 17.5 per cent sugar content the company will pay £3 per ton as a basis, with 2s. 6d. per cent either way for more or less content. The company makes dried pulp available for feed to the farmers to the extent of  $1\frac{3}{4}$  cwt. for each ton of beet supplied, the price charged being £5 5s. per ton.

### FLAX

For several years flax importers in Eire have been trying unsuccessfully to buy Canadian seed direct instead of through Northern Ireland merchants. The outbreak of war found stocks of seed in Eire distinctly on the small side, but some supplies have since been brought in from the United Kingdom. The 1940 crop of flax was on the whole a satisfactory one for the growers. Scutching was general throughout December, and the results indicated a return of an average of 31 stones per acre or rather less than the usual "two-ton" crop. The fibre, however, was of better quality than anticipated and the bulk of it realized £1 per stone at market. An arrangement was made with the United Kingdom Ministry of Supply to buy any of the Eire 1940 flax crop at prices ranging from 17s. 6d. to 22s. 6d. per stone for scutched flax, which was considered an attractive price as the average of the previous year was only 13s. 9d. The higher price stimulated planting on some 10,000 acres, an increase of 150 per cent over 1939.

### FERTILIZERS

Manufacturers in Eire experienced in 1940 considerable difficulty in getting supplies of rock phosphate, and no ground mineral phosphates were available. Potash was also scarce, and no potassic superphosphate was distributed, but other superphosphate was correspondingly increased. The supply of both manures, however, was short to the extent of nearly three-quarters of that of 1939. There is no marked deficiency of potash in Irish soils. Basic slag was also only available in very small quantities. Sulphate of ammonia was much more plentiful, however, and the supply should suffice for 1941. Nitrate of soda and sulphate of potash are definitely short, the latter being reserved for fruitgrowers. Compound manures will be used in fewer varieties and confined to use for potatoes and beet, being replaced otherwise by salt, which is reasonably plentiful. The Government scheme introduced in January, 1940, to provide funds (nearly £100,000) for assisting farmers to obtain fertilizer at reduced prices was discontinued last midsummer.

### BUTTER

The prolonged drought of last summer affected the output of butter in August and by September the decline in output had become pronounced. The output of creamery butter for 1940 was about 680,000 cwt., a decrease of over 30,000 cwt. from 1939. The price offered by the British Ministry of Food for

Irish creamery butter was 126s. per cwt. delivered, and attempts to obtain an increase failed. The reduction of exports and output resulted in a saving of the bounty and subsidy paid to farmers, and brought from the Ministry of Agriculture in October authority to make an additional payment of 6s. per cwt. on all creamery butter produced in 1940. As manufacturing costs had increased by that amount little of the extra payment would accrue to the dairy farmer. The retail price of butter is 1s. 7d. per lb. or 177s. per cwt. Export of butter (rationed in the United Kingdom) by parcel post or as "luggage" was banned in November, as the butter stocks were seriously depleted thereby. At the beginning of 1941 butter vendors were only allowed half their normal supplies, which was in effect a "rationing" scheme for the public of Eire.

The quantity of creamery butter held on December 31, 1940, in public cold stores in Eire, at creameries and by merchants and butter factories, was 78,402 cwt., and of factory and other butter, 4,279 cwt. In the period from December 16 to 31 the production of creamery butter was approximately 6,935 cwt. There were no exports of creamery butter during the period.

## MARKET CONDITIONS FOR DRIED FISH IN CUBA

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### HAVANA MARKET

Havana, March 22, 1941.—Recent sales of a limited amount of Canadian codfish for prompt delivery were closed at \$11.50 per bale for extra large and \$11 for large, but no offers are being made at the present time. However, it would appear that the Canadian exporters expect to re-enter the market about April 1, as local importers have been informed of a further advance of 50 cents per package at that time. Stocks of Canadian codfish are said to be running low and agents state that, if supplies were available in Canada for prompt shipment, they could place a considerable quantity now at higher prices than those at which the last sales were made.

It is reported that seventeen consignments approximating 1,700 bales of Icelandic codfish, shipped via New York, have just arrived. No information is available as to the quality or price of this fish, but it is believed that it was sold some time ago, and that delivery has been impossible earlier. So far as can be learned, no Icelandic codfish is being offered to this market at present.

### SANTIAGO MARKET

The demand for medium and small codfish in this market is brisk and according to our information all quotas are being readily sold. Present quotations per drum of 128 pounds are \$11.50 for medium and \$11 for small. Shipments are arriving on regular schedules and the present demand is expected to continue for some weeks longer.

## TRADE AND BUSINESS CONDITIONS IN PERU IN 1940

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(6.50 Peruvian soles equal U.S.\$1.)

Lima, March 1, 1941.—Although European markets, which were the principal outlets for Peruvian cotton and sugar—two products basically fundamental to Peruvian economy—were closed during 1940, the year ended with economic conditions in Peru relatively satisfactory. As a result of restricted exports and a decline in the exchange value of the sol, purchases abroad naturally declined in quantity, but not nearly to so great an extent as had been expected.



Internal activity continued to increase, partially due to reduced volume of imports, which necessitated the use of national products and thus tended toward increased national manufacture wherever such production was possible. According to reliable sources of information there is a tendency toward greater domestic production of many articles as a result of the disturbed conditions brought about through the hostilities in Europe.

### FOREIGN TRADE

Foreign trade returns for the past year indicate a slight contraction in volume but an increase in value as a result of higher prices. The value of the foreign trade rose by about 14 per cent, while the volume declined by about 13 per cent. Preliminary returns, just released, show a total foreign trade in 1940 valued at 724,552,985 soles as compared with 637,208,765 soles in 1939. On the other hand the volume of trade in 1940 amounted to 2,243,946 metric tons in comparison with 2,588,282 metric tons in 1939. Governmental revenues from this source also declined from 43,714,557 soles in 1939 to 42,011,996 soles in 1940.

The value of exports in 1940 amounted to 405,813,523 soles as compared with 381,421,389 soles in 1939. The volume of exports fell from 2,087,802 metric tons in 1939 to 1,770,002 tons in 1940. Similarly, revenue derived from exports also declined from 14,912,678 soles in 1939 to 12,884,183 soles in 1940.

The value of imports rose to 318,739,462 soles in 1940 as compared with 255,787,376 soles in 1939, but the volume declined slightly from 500,480 metric tons in 1939 to 473,933 metric tons in 1940. A slight increase in revenue from imports is indicated in 1940, when it amounted to 29,127,813 soles as against 28,801 soles in 1939.

The following tables show trade totals, exports and imports by quantity and value, also revenues from trade, for the past six years:—

#### Total Trade

Year	M. Tons	Soles	Revenues
1940 . . . . .	2,243,946	724,552,985	42,011,996
1939 . . . . .	2,588,282	637,208,765	43,714,557
1938 . . . . .	2,893,995	602,287,375	49,018,762
1937 . . . . .	3,346,377	600,645,969	50,387,540
1936 . . . . .	3,313,420	536,312,815	49,235,697
1935 . . . . .	3,132,790	489,988,972	39,292,285

#### Exports

Year	M. Tons	Soles	Revenues
1940 . . . . .	1,770,002	405,813,523	12,884,183
1939 . . . . .	2,087,802	381,421,389	14,912,678
1938 . . . . .	2,313,326	342,128,640	14,595,774
1937 . . . . .	2,775,978	365,440,446	18,323,802
1936 . . . . .	2,758,436	335,812,411	16,953,886
1935 . . . . .	2,631,071	308,923,449	17,006,333

#### Imports

Year	M. Tons	Soles	Revenues
1940 . . . . .	473,944	318,739,462	29,127,813
1939 . . . . .	500,480	255,787,376	28,801,879
1938 . . . . .	550,669	260,158,735	34,422,988
1937 . . . . .	570,399	235,205,523	32,063,738
1936 . . . . .	554,985	200,500,404	32,281,811
1935 . . . . .	501,719	181,065,523	22,285,952

Although detailed returns are not as yet available for the year 1940, some returns are on hand for the eleven-month period ending November. The following tables show the values of exports to and imports from the principal countries trading with Peru during this period and comparative figures for the similar period of 1939:—

*Peru's Exports by Principal Countries*

To—	Jan.-Nov., 1940 Thousands of Soles	Jan.-Nov., 1939 Soles
Germany . . . . .	155	22,808
Argentina . . . . .	19,622	20,577
Aruba . . . . .	18,857	3,834
Belgium . . . . .	1,915	9,975
Bolivia . . . . .	5,970	4,122
Brazil . . . . .	17,368	16,633
Canada . . . . .	5,897	4,174
Colombia . . . . .	5,525	89
Chile . . . . .	38,176	25,458
United States . . . . .	157,904	105,397
France . . . . .	9,372	19,309
United Kingdom . . . . .	48,185	63,788
Netherlands . . . . .	1,165	7,366
Japan . . . . .	29,055	7,237
Italy . . . . .	3,071	1,991
Uruguay . . . . .	8,957	8,653
Other countries . . . . .	6,791	20,962
Total . . . . .	377,985	342,373

*Peru's Imports by Principal Countries*

From—	Jan.-Nov., 1940 Thousands of Soles	Jan.-Nov., 1939 Soles
Germany . . . . .	4,084	36,756
Argentina . . . . .	24,170	13,705
Belgium . . . . .	4,044	5,578
Canada . . . . .	9,903	5,824
Chile . . . . .	5,694	4,776
United States . . . . .	153,206	90,181
France . . . . .	5,358	8,824
United Kingdom . . . . .	26,010	19,811
Netherlands . . . . .	2,888	5,043
British India . . . . .	11,138	6,153
Italy . . . . .	7,847	4,497
Japan . . . . .	17,135	6,971
Sweden . . . . .	2,137	2,986
Switzerland . . . . .	4,604	2,915
Other countries . . . . .	15,179	17,249
Total . . . . .	293,397	231,269

## WHOLESALE PRICES

Wholesale prices continued to advance throughout the year, the wholesale price index for December, 1940, being 259.1 as compared with 237.3 for December, 1939 (1913=100). The index for imported goods rose from 312 in January to 352 in December, and that of national articles for domestic consumption from 183 in January to 196 in December. The index number for export articles, on the other hand, fell from 200 in January to 197 in December.

In December wholesale prices moved up 4.9 points, the rise principally occurring in articles for use in industry. The index for this section increased 12.1 points, whereas that for foodstuffs rose 3.2 points as compared with the previous month. The price of cheese, for example, rose from 105.80 soles to 128.80 soles per quintal. That of butter, on the other hand, declined from 55.75 soles to 54.50 soles per quintal. The price of rice rose from 38.62 soles to 38.84 soles per sack (87.4 kilos), and of tea from 3.78 soles to 3.88 soles per pound. The quotations for sugar, on the other hand, fell slightly from 11.45 soles to 11.35 soles per quintal. The price of coal increased from 106.67 soles per Spanish ton to 113.33 soles.

In construction materials, white paint rose from 64 soles to 68 soles per case (4 tins of 9 kilos each). The price of Oregon pine lumber fell from 257.67 soles to 253.33 soles per thousand square feet.

### COST OF LIVING

The cost of living rose sharply throughout the year from a basic index (1913=100) of 176 in January to 191 in December. In the food group alone it rose from 165 to 186. In the month of December there was an advance of 1.4 points over that of the previous month. The most noteworthy increase in December was in the cost of potatoes, from 14 centavos to 19 centavos per kilo.

### PERUVIAN WOOL CLIP

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(6.50 Peruvian soles equal U.S.\$1.)

Lima, March 3, 1941.—According to an estimate supplied by the National Board of the Wool Clip Industry for Peru, of the 12,000,000 sheep in that country about 8,000,000 are clipped annually and the average yield of wool per sheep is two pounds. Of the 16,000,000 pounds produced, domestic mills consume about 6,614,000 pounds, and the native Indian population use some 3,307,000 pounds in home knitting. Normally the quantity available for export ranges from 6,614,000 to 7,716,000 pounds annually, but the 1941 clip is expected to be lower than the annual average due to what is considered to be the worst drought suffered by Peru during the past fifty years.

### EXPORTS

Exports of sheep wool in the first nine months of 1940 were made up of 708 metric tons of unwashed and 406 tons of washed wool valued at 1,207,000 soles and 994,000 soles respectively, a total of 1,114 tons valued at 2,201,000 soles as compared with 1,502 tons valued at 2,399,000 soles in the corresponding period in 1939. Alpaca hair exports rose from 2,334 metric tons during the same period of 1939 to 2,582 metric tons in the corresponding period in 1940, while the value increased from 6,193,000 soles to 11,236,000 soles. Huarizo hair (hybrid of llama and alpaca) exports amounted to 217 tons valued at 510,000 soles in the 1939 period as compared with 224 tons valued at 860,000 soles in the corresponding nine months of 1940. There were no vicuña hair exports in the 1940 period, while llama wool exports amounted to 125 tons valued at 265,000 soles in 1939 and 142 tons valued at 464,000 soles in the corresponding period in 1940.

### CONTROL OF EXPORTS FROM CANADA

#### EXTENSION OF EXPORT SYSTEM

Under Order in Council (P.C. 2050) dated March 24, 1941, it is prohibited as from and including April 1, 1941, to export any goods to the following territories or countries without first having obtained a permit issued by or on behalf of the Minister of National Revenue:—

Any country outside the Western Hemisphere, other than parts of the British Empire, or territories under British occupation or control.

Colonies or possessions of France within the Western Hemisphere.

For the purposes of this Order in Council the Western Hemisphere shall be understood to embrace all land west of longitude 30° west and east of the International Date Line.

Applicants for permits shall furnish in respect of each proposed shipment for export information in writing in the manner and form approved by the Minister of National Revenue.



This Order in Council consolidates various regulations previously established governing the control of exports on the basis of destination and also makes certain changes in them. It rescinds Orders in Council P.C. 286 of January 23, 1940; P.C. 885 of February 29, 1940; P.C. 1471 of April 11, 1940; P.C. 2833 of June 27, 1940; and P.C. 3724 of August 6, 1940.

#### EXPORTS OF CONCENTRATED MILK PRODUCTS

Under the powers conferred by Order in Council P.C. 2138, as amended, the Dairy Products Board issued an order dated March 13, 1941, prohibiting the exportation of concentrated milk products outside of Canada, on and after March 13, in quantities greater than 50 pounds without permission from the Dairy Board. This order amends Order No. 11 of the Board, published on January 29, 1941, in the *Canada Gazette*.

Concentrated milk products shipped to the United Kingdom under instruction by the Dairy Products Board are not included in this order.

For the purpose of this order concentrated milk products shall mean and include sterilized milk and cream; condensed (sweetened) whole milk or skim milk; evaporated (unsweetened) whole milk or skim milk or buttermilk; dried whole milk or cream or skim milk or buttermilk.

All applications for permission to export concentrated milk products shall be on Foreign Exchange Control Board Form B or Customs Export Entry Form B-13. All applications, in quintuplicate, must be forwarded direct to the Dairy Products Board, Ottawa, unless otherwise arranged.

#### COMMERCIAL ATTACHÉ AT WASHINGTON APPOINTED

Mr. H. A. Scott, former Trade Commissioner at London and on loan from the Department of Trade and Commerce as secretary of the Supervisory Board, British Commonwealth Air Training Plan, since March, 1940, has been appointed to the newly-established position of Commercial Attaché on the staff of the Canadian Legation at Washington. In this new position Mr. Scott will represent the Department of Trade and Commerce at Washington, discharging the duties of a Trade Commissioner, and will deal as well with commercial questions arising out of the wartime requirements of Canadian industry and trade. Mr. Scott has served as a Trade Commissioner at Liverpool, Buenos Aires and Shanghai, as well as at London where he had been stationed for a year prior to his return to Canada to take the post he has just vacated.

#### VALUE AND VOLUME OF CANADA'S EXPORTS: ERRATUM

In the table showing the value and volume of Canada's exports by main groups, 1935 to 1940, compared with the 1935-1939 average, which appeared in *Commercial Intelligence Journal* No. 1939 (March 29, 1941), there inadvertently appeared as a sub-heading the words "Imports for Consumption." From the preceding text and the title to the table it was evident that this was an error, but we regret any confusion the slip may have caused.—Editor.

#### TARIFF CHANGES AND TRADE REGULATIONS

##### United Kingdom

##### LICENCES HELD BY EXPRESS COMPANIES FOR GIFTS

The Department of Trade and Commerce has been advised that open general licences granted to the Canadian National and Canadian Pacific Express Companies by the Import Licensing Department of the United Kingdom for importation of gifts by express, which were due to expire in February, were renewed for another three months.

One of the licences held by these companies is granted under facilities announced by the Ministry of Food in a Notice of September 5 (see *Commercial Intelligence Journal* Nos. 1911 and 1913 of September 14 and 28, 1940), which stated that consideration would be given to applications for import licences from United Kingdom firms who wished to import individual gifts of food in bulk for transmission to their destinations by parcel post on arrival. The licences, it was stated, would be granted in approved cases for a period of three months and would cover gift parcels of foodstuffs in bulk, each parcel to be addressed prior to arrival to an individual in the United Kingdom and not to exceed 15 pounds in weight.

The Express Companies in question also hold an open general licence for importation of gifts other than food, without quantity limit. This licence is also renewable every three months.

The licences were granted subject to an undertaking being given by each company that the licences would be used only for the importation of bona fide gifts, that they would not involve any transfer of currency from the United Kingdom, and that the companies' books would be available for examination by official accountants, when desired, in order to check the actual importations under the licences.

### Australia

#### RELAXATION OF RESTRICTION ON TAPER FILES

An Australian Customs Order of January 20, 1941, which suspended issue of licences for importation from non-sterling countries of certain taper files, was relaxed by an Order of February 14, so that the order defining the class for which licences are not to be issued reads: "Files, taper saw (excluding bandsaw files), viz.—Regular—4 inches to 10 inches in length (both sizes inclusive); Slim—5 inches to 10 inches in length (both sizes inclusive)".

#### INCREASED DUTIES ON TINNED PLATES FURTHER DEFERRED

Deferred duties under Australian customs tariff item No. 147, "iron and steel plates and sheets, plain tinned", that were to have gone into effect on January 1, 1941, have been further deferred until January 1, 1942. Present rates are: free of duty under the British preferential tariff and 15 per cent ad valorem under the general tariff. Deferred rates are 76s. per ton (2,240 pounds) under the British preferential tariff and 115s. per ton under the general tariff. The British preferential tariff applies to imports from Canada, and the general tariff to all countries outside the British Empire.

### Gold Coast

#### CONTROL OF IMPORTS

The Gold Coast *Gazette* of December 9, 1940, announces that whereas the importation of all articles into the Gold Coast is prohibited except under licence, the Comptroller of Customs has issued a general open licence, effective November 5, 1940, permitting the importation from British Empire countries other than Canada of all articles except foodstuffs and alcoholic liquors; and from Canada and foreign countries of a schedule of articles including powder milk; manufactured tobacco; grease; lime; plants and seeds; unspecified manufactures of hemp, jute and linen; woollen yarns; clocks and watches; unspecified machinery; unspecified manufactures of metal; motor cycles; baskets; blacking and polishes; books; bricks and tiles; chemicals; chemical manures; glass and glassware; leather and harness.

Importations under this general open licence are subject to the importer producing a certificate of origin and interest, if required to do so by the

Comptroller of Customs. The new general open licence also revokes the former general open licence, details of which were published in *Commercial Intelligence Journal* No. 1884 (March 9, 1940), page 381.

## Mexico

### REGISTRATION OF FOODSTUFFS AND BEVERAGES

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, March 12, 1941.—New regulations for the registration of foodstuffs and beverages and similar articles appeared in the Mexican Official Gazette of March 5, 1941, effective 30 days later.

All foodstuffs, beverages and similar products intended for public consumption, in closed packages, must be registered at the Mexican Department of Public Health, in order that this Department may authorize their importation and sale to the public. Any foodstuff for which medicinal properties are claimed must be further registered as a medicine.

No foreign foodstuff, beverage, or similar article may be imported into Mexico until it has been registered at, and approved by, the Department of Public Health. Products for registration may, however, be imported on a special permit issued by the Mexican Department of Health, but only in sufficient quantities to submit samples for registration. Special permits do not apply to ordinary importations.

When products are imported in bulk and packed in Mexico, this fact must be mentioned on the labels or wrappings.

### APPLICATIONS FOR REGISTRATION

Applications for registration of foodstuffs, beverages and similar articles must be made in triplicate to the Mexican Department of Health, and must give the following information: (a) name of the product; (b) name of the manufacturer; (c) name and address of the applicant; (d) location of the factory where the product is manufactured, prepared or packed; (e) name of the importer, or representative of the manufacturer, with address; (f) party technically responsible, where the nature or manufacture of the product requires same, which clause is filled in at the discretion of the Department of Health; (g) the formula of the composition of the product to be sold, showing its components qualitatively and, should the product contain any alkaloids or glucosides, giving the names of same, and proportions; (h) all preservative substances employed, with their names and proportions; (i) uses to which the product is destined.

The application for registration must be accompanied by: (a) three photographs, 16 by 24 centimetres, of the containers, as sold to the public; (b) in the case of alcoholic beverages, a chemical analysis; (c) a certificate to the effect that the sale of the products in question is allowed in the country of origin, issued and signed by the proper authorities and visaed by the Mexican consul in the locality and country from which the products in question are shipped; (d) three copies of each of the labels, prospectuses, advertisements, pamphlets, and commercial propaganda that it is intended to use in the case of the product to be registered; (e) a sufficient number of samples for the analysis or examination of the product by the Mexican Department of Health.

Whenever any foodstuff, beverage, or the like offered for sale in this market contains some new component, the Mexican Department of Health may ask for the following information: (a) origin of the substance in question; (b) process and technique whereby it is obtained; (c) analysis of the product; (d) the treatment to which this component part is submitted before being incorporated into the foodstuff of which it is a component part.



## LABELS, ADVERTISEMENTS, ETC.

Spanish must be used on labels, advertisements, pamphlets, and all literature relative to foodstuffs and beverages submitted for registration, as well as on the printed notices on the packages or containers. However, other languages also may appear on the label. The Mexican Department of Health must approve labels, advertisements, pamphlets, etc., submitted, and in approving same the following are the guiding points: (a) the printing must be clear, and the characters easily read with the naked eye; (b) if the generic name of the product suggests the presence of any substance, the product in question must contain it; (c) any other substances suggested by the label as being contained in the product must be present; (d) where foodstuffs are subject to modification, the date on which they are prepared, and the date on which the period of preservation expires, must be also stated (the first date may be given in a cipher known to the Department of Health); (e) the containers, when exposed to the action of water or dampness, must be properly closed with an indelible impression of the origin of the product, its name, and the number of its registration; (f) any preservative or stabilizer contained in the product should be clearly shown on the label, with its proportion, and should be incorporated into the product in agreement with the regulations laid down by the Mexican Department of Health for the employment of such substances.

On acceptance, the Mexican Department of Health publishes in the Official Gazette the commercial names of the foodstuffs, beverages, and similar products.

No variation is allowed in a product's content as approved by the Department of Health. All products must be sold to the public under the exact conditions with which they were registered. For this purpose, the Department periodically checks products registered. Further, labels, advertising matter, etc., may not be modified in any sense which might infringe the conditions under which they were first presented and which served as a basis for their registration in Mexico. If any change is desired, this can only be made with the approval of the Mexican Department of Health.

It is forbidden to cite the Department of Health as a form of advertising. Packages should be marked solely "Aceptado, D.S.P.," and the registration number: "Registro Núm. . . . D.S.P." (D.S.P. is the abbreviation for the Spanish of "Department of Public Health").

If substances are subsequently found to be dangerous, the Department of Health can ask the manufacturer or importer to alter the composition of the product that contains such a substance, and to modify the labels and advertising matter relative thereto.

## SPECIFIC PRODUCTS

Regulations regarding specific products are described in the following paragraphs:—

*Canned Goods.*—For the registration of canned foodstuffs, and other preserved comestibles, the following requirements must be fulfilled: (a) their components must be of good quality, that is, they must come from healthy plants or animals; (b) their characteristics and composition must correspond to the generic denomination and properties recognized in them at the place of origin; (c) they must not have undergone any microbial or parasitic changes or contaminations which may be harmful to the health in the opinion of the Department of Health; (d) no wrappings or packages may contain toxic substances.

*Alimentary Fats.*—As to alimentary fats, the following classifications should be observed for the purpose of registration: (a) pure hog fat shall be considered as lard; (b) pure fats extracted from the milk of mammiferous animals shall be considered as butter.

Natural oils or fats, whether hydrogenated or not, and fulfilling the following requirements, can be registered under the name of cooking fats: (a) they must

not contain any rape or mustard oil; (b) their melting point must not be higher than 42° C.; (c) they must have an index of digestibility of at least 85 per cent in respect of pure olive oil.

*Milk.*—The milk must come from healthy animals. To be sold as evaporated milk, it must have lost at least 58 per cent of its water content. It must be homogeneous and it must not contain any living bacteria.

Dried or powdered milk must have lost all its water content and be reduced to a state that fulfils the following requirements: (a) it must proceed from healthy animals and the species from which it is obtained must be stated; (b) it must not contain over 10,000 living bacteria per gram of the product; (c) it must not contain any pathogenous bacteria.

Of the milk referred to above, the following types are authorized: (a) whole dried milk containing over 24 per cent fatty substances; (b) partially skimmed dried milk containing from 8 to 24 per cent fatty substances; (c) skimmed dried milk containing less than 8 per cent fatty substances.

It is permissible to add to these milks up to 7 per cent lactic or citric acids, as well as malt, saccharose, dextrine-maltose, or lactose.

By condensed milk is understood that which has lost at least 60 per cent water, and to which there has been added from 40 to 50 per cent saccharose.

Sour milk is understood to be such milk as after its sterilization has undergone lactic fermentation by means of tropism bacteria and intestinal implantation. Only the following are admitted: (a) milk containing an acidity lower than 1.2 per cent in lactic acid; (b) milk which does not contain any pathogenous micro-organisms.

The extraction of a part of the hydrocarbonate or fatty protein from evaporated, dried or condensed milk is permitted, as is also the addition of foodstuffs not constituting any danger to health. In both cases the formula of the composition of the products must be given on the packages.

Milk products must be prepared with pasteurized milk or with milk that has been boiled or sterilized by some other process acceptable to the Department. They must show the date of manufacture and number of the respective batch in a cipher known to the Department.

*Cheese.*—There will be admitted for registration under the name of cheese such milk products as fulfil the following requirements: (a) they must originate from the ripening of the curd of milk obtained by the addition of rennet or by acidification; (b) they must be made from milk of healthy animals which has been pasteurized or boiled; (c) they must not contain any substances extraneous to milk composition with the exception of spices, colouring matter approved by the Department, and substances produced by the fermentation or putrefication proper to the manufacturing process.

The employment of fecula in the manufacture of cheese is prohibited.

#### OTHER REQUIREMENTS

Detailed regulations are laid down for alcoholic and non-alcoholic beverages, sausages, spices, tea, coffee and chocolate. The kinds and quantities of substances permitted to be added to foodstuffs and beverages for the purpose of giving them colour, flavour or aroma, or for their preservation are set forth in the regulations. Details may be obtained on application to the Department of Trade and Commerce, Ottawa.

#### TIME TO FULFIL REQUIREMENTS

From the date the regulations come into force a period of six months is granted within which the requirements may be fulfilled and stocks of foodstuffs and beverages packed in accordance with previous regulations may be used up or exchanged.

## Haiti

## NEW LEAFLET ON DOCUMENTARY AND MARKING REQUIREMENTS

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, writes that Canadian exporters to the Republic of Haiti should exercise the greatest care in the preparation of all consular documents as any errors, though committed inadvertently, expose the importers to serious complications or to the payment of excess duty or fines.

Mr. Bissett has prepared a report on the current documentation and marking requirements of Haiti which has been issued in the form of a leaflet. Interested Canadian exporters may obtain a copy on application to the Department of Trade and Commerce, Ottawa.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 31, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 31, 1941, and for the week ending Monday, March 24, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Mar. 24	Nominal Quotations in Montreal Week ending Mar. 31	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2644	.2644	3½
Switzerland . . . . .	Franc	.1930	.2576	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2280	.2280	3
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2564	.2570	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4391	.4409	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0574	.0581	—
Hongkong . . . . .	Dollar	.....	.2710	.2716	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Mild Steel Bolts, Nuts and Screws.....	68	Birmingham 5, England...	Purchase.
Resins in Powdered Form.....	69	Mexico City, Mexico.....	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney:* L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne:* FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886. Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad:* Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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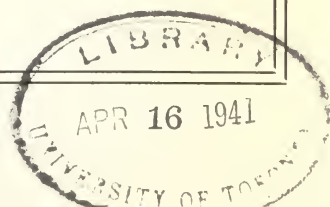
A heavy barge load of British Columbia timber, ear-marked for  
Great Britain

*Photo—Public Information*

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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The total present market for imported footwear, therefore, amounts to well over £400,000 or about \$2,000,000. It is, however, a diminishing market, and the reason for the decline can readily be seen in the increasing domestic production. It will be noted that for all except three of the items listed in the foregoing table the figures for 1939 are lower than those for 1938; the totals also are lower. The totals for 1938 and 1939 are progressively lower than those for 1937 and 1936. The only types of footwear of which importations remain fairly constant are infants' shoes and bootees, canvas shoes (presumably with rubber soles) and the miscellaneous group, which includes rubber footwear of all kinds. Men's and women's leather shoes are the most important items imported, making up £235,520 or over 53 per cent of the total value of footwear imports in 1939. Women's shoes alone accounted for over 38 per cent of the value of all footwear imported in 1939.

### GENERAL MARKET FACTORS

From the information given on domestic production and the trends of importations it is apparent that there is no market in South Africa for imported cheap shoes. In any event the import duties practically preclude imported cheap shoes from competing with the domestic product.

Retail prices of imported shoes of good quality are higher than those of South African quality shoes because ocean freight and insurance, customs duty and landing and internal delivery charges inevitably increase the cost of the imported product considerably above that of the locally made shoe. Consequently overseas supplies must be of workmanship and quality comparable to and preferably better than the South African and, in particular, must have qualities of design for comfort and style that will warrant the customer paying the higher price. Similarly retailers in the larger centres, who must compete with smaller retailers offering the same locally made shoe at lower prices, expects in his imported goods something out of the ordinary and something not obtainable everywhere among his competitors. To put it tersely, smart shoes sell.

The import statistics indicate accurately the extent of the South African market, but Canadian firms interested in this market should bear in mind that there are only slightly more than 2,000,000 white people in the Union. The rural population, with less interest in stylish shoes, comprises a large proportion of the white population; in addition a fair percentage of the white population cannot afford to purchase expensive imported footwear. The market is not large therefore, and its limits can be determined quite closely.

### WOMEN'S LEATHER SHOES

In order to ascertain the sources of overseas competition, it will be well to consider closely the detailed statistics of imports of each of the main classes of footwear. The most important item is women's leather shoes, imports of which in 1938 and 1939 were as follows:

#### *Imports of Women's Leather Shoes into South Africa*

	1939		1938	
	Pairs	£	Pairs	£
Total . . . . .	263,631	167,990	318,532	183,445
United States . . . . .	93,208	70,225	68,082	52,285
United Kingdom . . . . .	83,782	53,589	115,344	72,945
Czechoslovakia . . . . .	40,253*	13,795*	87,676	27,123
Switzerland . . . . .	24,780	19,278	28,598	21,017
Hungary . . . . .	9,193	4,061	6,272	2,867
France . . . . .	4,701	3,041	1,656	932
Canada . . . . .	2,363	1,657	6,187	4,044

\* January to June only.

As shown above, the United States and the United Kingdom obtained the greater part of the business and, with European exports cut off as a result of wartime conditions, it is probable that the two main suppliers are now sharing most of the business. Canada obtained about 1 per cent of the trade in 1939. There was a sharp drop in imports from Canada in that year as compared with 1938, resulting mainly from circumstances which militated against the immediate placing of repeat orders.

Examination of the import statistics over a period of years makes clear that the peak year of imports of women's leather shoes was 1929, when the total for this class of footwear was 1,283,930 pairs valued at £533,584. The depression years brought a rapid decrease to 263,141 pairs valued at £153,213 in 1934, after which there was a moderate recovery to 330,196 pairs with a value of £190,616 in 1936. Since 1936, however, despite good business conditions, the decline in importations has continued to the 1939 figure of 263,631 pairs valued at £167,990, which is almost identical with the figure for the low year 1934.

An interesting trend is recorded during the same decade in the replacement of United Kingdom shoes of leather for women by supplies from the United States. In 1928 imports from the United Kingdom amounted to 893,136 pairs valued at £418,679, while imports from the United States were only 3,344 pairs valued at £1,671; the comparable figures for 1939 are: United Kingdom, 83,782 pairs valued at £53,589; and United States, 93,208 pairs with a value of £70,225. Throughout the ten-year period imports from the United States have steadily increased, while purchases from other countries and total imports have as steadily decreased.

Stress has already been placed on the necessity for stylish shoes of good quality; this cannot be over-emphasized. Women's leather shoes intended for the South African market must be light and flexible. Featherweight soles are essential because the ordinary everyday weights are amply supplied by the South African factories. Particularly, therefore, it is necessary to ship what may be termed the "ultra modern" in styles for women's shoes. Novelties such as the wedge heel are always favourably received.

#### MEN'S LEATHER SHOES

The import statistics show a similar trend in the importation of men's leather shoes from the high figure of 343,302 pairs (£222,299) in 1928 to the low of 80,370 pairs (£38,045) in 1932 and the return swing up to 126,371 pairs (£80,447) in 1936 with the subsequent decline to 98,238 pairs (£67,530) in 1939. In this field, however, United Kingdom manufacturers have remained pre-eminent and have not lost this market to any other overseas supplier; only competition from the South African manufacturer has reduced the sales of United Kingdom leather shoes for men. The following statistics of imports in 1938 and 1939 show the position of the United Kingdom in relation to other exporters to South Africa:—

#### *Imports of Men's Leather Shoes into South Africa*

	1939		1938	
	Pairs	£	Pairs	£
Total . . . . .	98,238	67,530	110,474	73,544
United Kingdom . . . . .	86,558	60,913	91,913	64,153
Czechoslovakia . . . . .	4,707*	816*	9,419	2,006
United States . . . . .	3,017	2,998	5,251	4,454
Switzerland . . . . .	1,353	1,316	1,711	1,690
Canada . . . . .	440	306	229	181

\* January to June only.

Men's shoes are well made in South Africa, and local production satisfies the demand for cheap and medium-grade shoes. The highest-quality shoes supplied are mainly well-known brands from the United Kingdom, which retail at 45s. and upwards. Standard best-grade leathers and patterns are used.

There may be some sale for men's imported shoes of moderate price in the fancier designs. Style is governed more by the design of last and toe than by the design of the upper, but fancy leathers find some demand. Such shoes must be smart, well finished and light in weight. In particular the soles must be very flexible, for customers desire shoes which when fitted for the first time have the feel and comfort of a shoe already "broken in". The broader fittings, particularly 5 and 6, are chiefly in demand.

### CHILDREN'S LEATHER SHOES

Importations of children's leather shoes are not extensive but may provide a useful complementary outlet for the overseas manufacturer who is able to supply other types as well. Importations in 1938 and 1939 were as follows:—

#### *Imports of Children's Leather Shoes into South Africa*

	1939		1938	
	Pairs	£	Pairs	£
Total .. . . .	114,246	15,835	125,125	18,064
United Kingdom.. . . .	89,699	12,046	93,160	12,686
Czechoslovakia .. . . .	10,912*	1,735*	29,257	4,745
United States.. . . .	6,361	1,007	2,092	410

\* January to June only.

Import figures show that in this line also manufacturers in the United Kingdom obtain the bulk of the business. With Czechoslovakia out of the market, importers turned to the United States for alternative supplies, and it is possible that the import figures for 1940 may show an increase of imports of children's leather shoes from that country.

A strongly made shoe of smart design and of well finished workmanship and good materials is required. Cheap shoes cannot be imported, due to cost in competition with the domestic product.

### SLIPPERS

The sale of slippers covers a varied field. Coloured leathers, plain and patent, as well as fancy fabrics and felts are all in demand. Various patterns are desired, including plain slippers with thin soles and hard heels, cushion soles and cushion heels, cushion soles with Cuban heels, etc. Slippers are required for men, women and children. Imports in 1938 and 1939 were as follows:—

#### *Imports of Slippers into South Africa*

	1939		1938	
	Pairs	£	Pairs	£
Total .. . . .	286,542	37,937	298,368	42,257
United Kingdom.. . . .	169,178	23,317	174,027	27,973
United States .. . . .	85,052	10,997	79,854	9,480
Netherlands .. . . .	8,508	1,204	5,735	470
Canada .. . . .	4,032	636	182	48
India.. . . .	3,709	350	6,770	531
Australia .. . . .	3,783	352	4,092	373
China.. . . .	3,279	249	3,648	271

Several other countries, all European, also supplied small quantities. Obviously the market demand is greatly varied, and supplies are sought from many countries, but the United Kingdom and the United States obtain the greater part of the business.

### METHODS OF BUSINESS

The buying seasons in South Africa are February to April for the summer months of October to March, and October to December for the winter months of April to September.



Sales are usually made through agents or manufacturers' representatives who expect 5 to 7½ per cent commission, including commission on any business placed other than directly by the agent.

Sales are based on samples, which should be supplied as liberally as circumstances permit. Samples are for the cost of the manufacturer, and payment in full cannot be expected from the agent. Sometimes the samples are charged to the agent, who is able, after they have served their purpose, to dispose of them at 33⅓ per cent to 50 per cent off factory price and then remit to the manufacturer. In some cases it is possible to arrange that the samples be billed to the agent and charged against his commission at 50 per cent off factory price; this may involve payment of commission at a higher rate. It should be remembered that the agent has to pay out fair amounts of cash on the arrival of samples because of customs duties, landing and clearing charges and delivery costs.

A fair range of samples is essential because sales depend so largely on style and design; an assortment of qualities and prices must be shown. Samples should always be marked clearly with all appropriate details, such as name and number of design, fitting and size, price or price key, etc.

Oftentimes South African buyers make payment through confirming or shipping houses in New York or London, but in some cases payment is asked on the basis of sight draft. The agent will advise concerning the appropriate procedure. It is to be noted that when confirming houses are used no order is final until confirmed by them. Prices are usually requested on the basis of f.o.b. Canadian seaport.

## FISHING INDUSTRY OF IRELAND IN 1940

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, February 25, 1941.—The quota system for imports of fish into Eire has had the effect of greatly increasing prices to consumers, shortening supplies, and giving more power to the Irish Sea Fisheries Association, which controls the supply of fish. The fish market of Eire is small for an island population, per capita consumption being less than £6 as compared with £36 in the United Kingdom. Only 10,000 hundredweights are normally consumed weekly in Eire.

Owing to abnormal conditions arising from the war, the price of fish has advanced steeply and the inshore fishermen of Eire have benefited accordingly. The present position is in marked contrast to that obtaining three or four years ago when, owing to heavy imports of fresh fish, the demand for the home-caught product was slow and low prices prevailed. In consequence those fishermen who had obtained boats and gear on hire-purchase terms from the Sea Fisheries Association had been unable until the latter part of 1939 to begin paying off their hire-purchase debts.

Complaint is constantly heard about the high price of fish to the consumer but, apart from the fact that there is little or no relation between the retail price of this commodity and the amount realized by the fisherman for his catches, the consumer as well as the retailer is to blame. If fish were consumed regularly in this country, the fishmonger could spread his expenses and costs over the entire weekly trade. Actually his fish business is restricted practically to Fridays and other days of church abstinence, and therefore his overhead expenses in relation to this limited turnover are disproportionately large.

In connection with the statistics for 1940 it is noteworthy that the quantities landed in most cases compare favourably with the landings for 1939, despite the fact that during 1939 there were nine steam trawlers in commission whereas during 1940 there were only three such vessels. The inference is that the inshore fishermen, now that it is profitable for them to do so, are landing considerably increased quantities of fish. A number of British herring drifters have landed some herrings in Eire during the winter fishing season.

Another feature of the year 1940 is the improved prices prevailing for shellfish such as scallops, mussels and winkles, exports of these to British markets showing a considerable increase. This improvement is not accurately reflected in the annual figures, since it developed mainly during the last four months of 1940.

Eire does a good business also in other than sea fisheries, viz.: in salmon, trout and eels, all of which find a ready market at good prices in the United Kingdom.

#### LANDINGS IN 1940

Statistics of fish landed in Eire in 1940 are shown in the following table, with comparative figures for 1939:—

	1940		1939	
	Cwt.	£	Cwt.	£
Total prime fish . . . . .	2,767	16,915	2,975	13,528
Brill . . . . .	737	3,819	820	2,791
Sole . . . . .	1,566	10,595	1,712	9,073
Turbot . . . . .	464	2,501	443	1,664
Total wet fish . . . . .	210,493	254,718	182,263	191,437
Cod . . . . .	11,979	39,253	15,675	35,612
Conger eel . . . . .	1,516	1,633	1,785	1,898
Haddock . . . . .	1,678	4,443	3,341	6,293
Hake . . . . .	3,745	14,482	5,574	18,745
Herrings . . . . .	68,203	53,780	49,516	23,695
Ling . . . . .	707	1,777	669	944
Mackerel . . . . .	56,153	28,439	44,650	16,010
Plaice . . . . .	10,483	32,150	10,919	24,960
Ray or skate . . . . .	10,788	12,669	11,079	10,800
Sprats . . . . .	29	17	67	22
Whiting . . . . .	32,221	33,230	24,145	21,906
All other except shellfish . . . . .	10,224	16,530	11,868	17,024
	No.		No.	
Total value of shellfish . . . . .	.....	27,094	.....	29,458
Crabs . . . . .	29,320	311	45,058	348
Crayfish . . . . .	5,808	260	21,353	1,361
Scallops . . . . .	397,894	3,563	387,781	2,942
Lobsters . . . . .	178,002	7,824	278,708	14,636
Oysters . . . . .	743,924	5,314	379,043	2,504
	Cwt.		Cwt.	
Mussels . . . . .	23,177	4,241	12,339	1,864
Periwinkle . . . . .	15,576	4,871	17,309	4,820
Other shellfish . . . . .	759	710	1,631	983
Grand total value . . . . .	.....	281,812	.....	220,895

Total value shown for the twelve months ending December, 1940, namely, £281,812 may be increased by anything up to 10 per cent in respect of "additional information" gathered from outlying points after the figures from the usual collectors had been assembled. Therefore, the total value for the year in question may be estimated at £300,000.

## NOTES ON TRADE AND INDUSTRY IN THE SOUTHERN STATES OF AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

### CONSTRUCTION OF PIPELINE IN SOUTH AUSTRALIA

Melbourne, February 18, 1941.—Construction of what is said to be one of Australia's greatest engineering works, a 236-mile pipeline from Morgan, on the Murray River, to Whyalla, South Australia, has begun. The project, which is expected to take about two and a half years to complete and to give work to more than one thousand men, will cost approximately £3,000,000. Water will be discharged at Whyalla at the rate of 2,700 gallons a minute.

Whyalla, a growing industrial town on the western shores of Spencer Gulf, is adjacent to the large iron ore deposits at Iron Knob, and the iron ore is shipped from Whyalla to the steel works at Newcastle, New South Wales. Equip-

ment has now been installed for the production of steel at Whyalla, which has insufficient water for its rapidly increasing population and engineering plants. It has two reservoirs with a combined capacity of 20,000,000 gallons, but this supply has to be supplemented by a condensation plant and by rainwater tanks attached to dwellings. In addition, water for the town comes all the way from Newcastle as ballast in the iron-ore ships. The completion of the pipeline will make Whyalla safe from a water famine.

Besides supplying Whyalla with 1,200,000,000 gallons of water a year, the pipeline will bring 900,000,000 gallons a year to a number of towns in the districts north of it and east of Spencer Gulf, including Port Pirie and Port Augusta. The construction and maintenance of the pipeline will be the responsibility of the South Australian Government. The Commonwealth Government has agreed to bear a proportion of the loss which is expected to be incurred on the scheme in the initial stages.

#### PRODUCTION OF GOLD IN WESTERN AUSTRALIA

The State of Western Australia is responsible for nearly three-quarters of the total production of gold in the Commonwealth. Although the gold yield in Western Australia for the year 1940 showed a decline of 22,757 fine ounces, as compared with production for the previous year, its value increased by £855,327 (Australian currency), establishing an all-time record in the industry's return to the state. It is reported that the higher value of the yield last year, as against that of the previous year, is due to the fact that only a portion of the output in 1939 benefited from the sharp increase in the price of gold which followed the outbreak of the war.

The following table shows the production of gold in Western Australia for the past three years:—

	Fine Ounces	£ (Australian)
1938 .....	1,167,792	10,364,023
1939 .....	1,214,238	11,842,964
1940 .....	1,191,481	12,698,391

Since the inception of the industry in 1886, in which year 270 fine ounces valued at £1,148 were produced, the total production has been 46,779,058 fine ounces worth £A239,960,407. The highest production was in 1903, being 2,064,801 fine ounces worth £A8,770,719. The lowest production in the last 30 years was in 1928, when only 393,408 fine ounces, valued at £A1,671,093, were produced.

#### NEW ZEALAND IMPORTS OF MOTOR CARS

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

(The New Zealand pound was valued at \$3.59 Canadian during 1940)

Auckland, March 1, 1941.—A decline of more than £3,000,000 in the dutiable value of imports of motor vehicles into New Zealand during the calendar year 1940 as compared with the calendar year 1939 is shown in statistics recently issued by the Comptroller of Customs. The total number of imported vehicles, assembled, unassembled or completely knocked down, was only 6,151 as against 25,096 in 1939, and the dutiable value (the domestic value in the countries of export plus 10 per cent, expressed in New Zealand currency) was £988,622 as compared with £4,188,776 in 1939.

The United Kingdom again supplied the greatest number of cars and car chassis, the imports from other countries except Canada being almost negligible. Canada's share of the imports was made up chiefly of commercial vehicles.

Imports of unassembled cars in 1940 included 4,764 valued at £702,183 from Britain, 30 valued at £6,124 from Canada, and 173 valued at £27,308 from the United States—a total of 4,967 cars valued at £735,615.



Commercial vehicles imported in unassembled condition from the United Kingdom numbered 274 valued at £80,583. Canada supplied 668 valued at £121,140 and the United States 165 valued at £38,615. The totals were 1,107 vehicles of a value of £240,338.

Assembled motor cars to the number of 64 (£8,116) came from the United Kingdom, six were imported from the United States, and one each from Czechoslovakia, Canada and Australia. Assembled commercial vehicles comprised two each from Canada and the United States of a total value of £2,730.

### STATISTICS OF IMPORTS

Details of the number and value of cars and passenger chassis imported into New Zealand from the principal countries during the past three years are as follows:—

#### *New Zealand Imports of Cars and Passenger Chassis*

	1938		1939		1940	
	Units	N.Z. Pounds	Units	N.Z. Pounds	Units	N.Z. Pounds
United Kingdom.. . .	17,630	2,795,820	13,918	2,065,442	4,828	710,298
Canada . . . . .	7,735	1,222,824	9,577	1,296,357	31	6,418
United States. . . .	2,718	448,041	1,501	171,609	179	28,575
Total . . . . .	28,083	4,466,685	24,996	3,523,408	5,038	745,291

Imports of commercial vehicles and chassis during the same periods were as follows:—

#### *New Zealand Imports of Commercial Vehicles and Chassis*

	1938		1939		1940	
	Units	N.Z. Pounds	Units	N.Z. Pounds	Units	N.Z. Pounds
United Kingdom . . . .	1,516	348,440	806	201,921	274	80,583
Canada . . . . .	2,411	363,713	2,254	350,516	670	121,549
United States . . . . .	1,155	209,605	518	98,799	167	40,936
Total.. . . .	5,082	921,758	3,578	651,236	1,111	243,068

The peak year of imports of all motor vehicles was 1937, when 36,761 valued at £5,786,383 were purchased from abroad. Since then the respective figures have been as follows: 1938, 33,464 (£5,429,875); 1939, 25,096 (£4,188,776); and 1940, 6,151 (£988,622).

### CONTROL OF IMPORTS

Following is the treatment of motor vehicles under the import and exchange control regulations during the successive licensing periods:—

	Percentage Restriction based on 1938 Imports from:—		
	United Kingdom	Canada	Other British Countries
1st period—January 1 to June 30, 1939:			
Unassembled . . . . .	...	...	...
Assembled . . . . .	...	...	...
Spare parts . . . . .	...	...	...
2nd period—July 1 to December 31, 1939:			
Unassembled . . . . .	40	40	40
Assembled . . . . .	100	100	100
Spare parts . . . . .	40	40	40
3rd period—January 1 to June 30, 1940:			
Unassembled . . . . .	65	100	100
Assembled . . . . .	75	100	100
Spare parts . . . . .	...	...	...
4th period—July 1 to December 31, 1940:			
Unassembled . . . . .	100	100	100
Assembled . . . . .	100	100	100
Spare parts . . . . .	33½	33½	33½

	Percentage Restriction based on 1938 Imports from:—		
	United Kingdom	Canada	Other British Countries
5th period—January 1 to December 31, 1941:			
Unassembled (commercial) . . . . .	*	*	*
Unassembled (other) . . . . .	100	100	100
Assembled (all types) . . . . .	100	100	100
Spare parts . . . . .	25	25	25

\* Applications to import considered.

The sizeable imports during 1939 are not in strict conformity with the regulations covering that period. This is explained by the permission given to bring in cars and lorries that were ordered prior to July 1, 1939. Likewise, orders placed during the latter half of 1939 were allowed to be filled and shipped to arrive not later than June 30, 1940. In addition certain cars and lorries, both knocked down and completed, were brought in under special licences.

The statistics of imports for 1941 will be more accurately indicative of the effect of import control, since there will be no carryover of licences from the previous licensing periods, and it is very probable that the issue of special licences will be discontinued. Present indications are that Canada's leading position among suppliers of commercial vehicles will be maintained in 1941, although the total imports from all sources will very likely show a reduction.

The lack of new cars on the market is being felt to an increasing degree, although the strict rationing of petrol in force for over a year now, has to a large extent curtailed the interest in new purchases. Nevertheless, as time goes on the position will become one of hardship for the dealers, whose trade even now is confined to used cars and their servicing. Any further restriction in the use of petrol, of course, will be a serious matter for all trades and services.

### PETROL CONTROL

The consumption of petrol in New Zealand has been under the control of the Government since September, 1939, with a period of suspension extending from December 1, 1939, to January 31, 1940. At the beginning the control exercised did not seriously interfere with pleasure driving, and the number of licences issued for business purposes was quite sufficient for all requirements. The object of the regulations in the early stages was to eliminate waste.

As a result of the gradual process of tightening the restrictions, the position today is one requiring real sacrifice on the part of the private owner and of thoughtful management by the owners of commercial vehicles and business cars.

For private cars the monthly allowances are as follows: Up to 9 h.p., 4 gallons; 9 to 14 h.p., 6 gallons; over 14 h.p., 8 gallons.

Owners of commercial vehicles are allowed sufficient petrol to cover minimum requirements. Private cars used for business purposes are licensed accordingly. Doctors and other individuals or bodies serving the public are provided with supplies sufficient for their needs. For private cars coupons are issued for each month. In the case of commercial vehicles and business cars special licences are granted. Care is taken to ensure that industry and all necessary services, marine, land and air, are able to obtain petrol to meet their legitimate needs.

A further measure of control has been the elimination of all overlapping and duplication of transport facilities, particularly those competing with the railways. This applies to such services as milk deliveries, carrier services, buses, etc., and has been put into effect by a system of "zoning".

The future trend in petrol control is indicated by the following recent statement by the Prime Minister:—

The situation in regard to petrol is more serious. At present there do not seem to be any indications of an improvement in the position, rather the reverse. In the interests of the defence of the country further steps towards reducing the consumption of petrol may become necessary.

## JAMAICAN EXPORT TRADE IN 1940

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, March 24, 1941.—A recently published official return gives the total value of exports from Jamaica in the calendar year 1940 as £3,040,531 f.o.b. as compared with £4,637,993 in 1939. Included in the former figure are shipments of gold and silver specie amounting respectively to £1,275 and £1,409. There were no such shipments in 1939.

The principal cause of this heavy decline was the reduced banana output, due to damage by a storm towards the close of 1939. Whereas shipments of this fruit in that calendar year totalled 18,771,628 stems valued at £2,439,177, the corresponding figures for 1940 were only 6,849,042 stems and £1,045,480, a decrease of £1,393,697.

This is Jamaica's most valuable export staple, and its prospects appear somewhat unpromising at present. Cultivations are beset by plant disease and, owing to war conditions, shipments to Britain, normally the largest market, have ceased. However, to assist the planters and the many others who make their living from this industry, the British Government most generously bought towards the end of 1940 not only the small remaining portion of that year's crop but also the output in 1941 up to a maximum of 12,000,000 "count bunches" at 3s. each. No deliveries are made to England, but shipments have been going forward to Canada in increased quantities, and after many years have been resumed to the United States. The British Government is credited with the proceeds of such sales.

Sugar, the second most valuable export commodity, was shipped in 1940 in the total quantity of 81,469 long tons worth £848,431 as against 103,783 tons (£989,563) in the previous year. This falling-off was largely due to poor seasons. The 1939-40 crop totalled 99,321 long tons, of which 81,321 were exported and 18,000 kept in the Island for domestic consumption. The respective tonnages for the 1940-41 crops, revised to date as to total output, are 148,860, 128,860 and 20,000. Of both crops the British Ministry of Food bought the portions shipped.

### LOSSES AND GAINS

A noteworthy feature of the Colony's trade in 1940 as compared with that of 1939 was the partial compensation effected generally by enhanced value for the smaller quantities of the main items shipped and of some others. Several articles, moreover, increased in both quantity and value.

For example, exports of rum rose from 839,467 gallons valued at £247,047 in 1939 to 1,065,720 gallons worth £338,286 in 1940. The respective figures for honey were 98,880 gallons (£13,049) and 145,769 gallons (£61,459); and for ginger, 3,323,122 pounds (£40,571) and 2,571,492 pounds (£46,797). The figures relating to these commodities strikingly exemplify the upward trend of prices but for which the decline in total value of the Island's export trade in 1940 would have been appreciably larger than the £1,597,462 disclosed by the comparison given above.

Among items showing decreases were coffee, which fell from 8,351,256 pounds (£146,047) in 1939 to 5,862,496 pounds (£113,847) in 1940; coconuts, from 31,406,137 in number (£74,998) to 17,494,213 (£48,190); raw cocoa, for which the respective figures were 5,184,682 pounds (£48,447) and 2,038,553 pounds (£26,533); oranges, 318,084 boxes (£113,989) and 269,298 boxes (£103,896); grapefruit, 172,488 boxes (£52,903) and 44,620 boxes (£13,264); and pimento, 8,044,544 pounds (£207,073) and 3,506,083 pounds (£119,152).

The decline in coconut exports was largely due to the expansion of the local industry manufacturing edible oil, margarine, lard compound and soap, which uses these nuts as raw material. As exemplifying this expansion 1,771,900 pounds



of copra valued at £8,497 were exported in 1939 but none was shipped in 1940, because the local factories needed all available supplies of this material, which is dried coconut meat.

### EXPORT POLICY

The export trade of Jamaica is controlled by the local Government under instructions from London. The position as regards the United Kingdom was recently explained in an official announcement by the Jamaican Food Controller, applicable to certain commodities, as follows:—

*Fruit Juices.*—Imports into Britain are not allowed except under licence issued by the Ministry of Food, and before an export permit can be granted to anyone in Jamaica he must satisfy the competent authority that the intended consignee is so licensed by that Ministry.

*Marmalade Pulp, Unsweetened.*—The Ministry will purchase from Jamaica limited quantities of this material, which is made from grapefruit and bitter oranges, each transaction to be arranged through the local Food Controller. The Ministry had bought the last season's crop of sweet and bitter oranges.

*Coffee* is no longer allowed to be shipped to the United Kingdom.

*Ginger, Pimento and Other Spices.*—Shipments to Britain are regulated by quotas based on pre-war importations.

*Honey.*—Since the summer of 1940 Jamaica has had a quota of 1,900,000 pounds per annum in the British market, and in individual cases the quantities allowed to be exported thereto are determined by those purchased before the war by the firms or persons concerned.

*Rum.*—Exports to the United Kingdom have been suspended for the time being, but this matter is under consideration. No hardship is thereby entailed either in Britain or in Jamaica because ample stocks ready for consumption are held in the United Kingdom and, moreover, rum cannot be released from bond in that country until three years old. The output for 1940-41 has been entirely sold out, British buyers leaving their purchases in Jamaican bonded warehouses.

There is a local committee co-ordinating the Island's export trade with movements of ships and with freight space available, and Jamaican exporters inform this body of every case in which they have concluded firm business with United Kingdom buyers. In all cases the local requirement as to production of evidence that a United Kingdom import licence has been issued is strictly enforced.

## OVERSEAS TRADE OF BRITISH MALAYA IN 1940

FROM *The Times Trade and Engineering*

The gross value of Malaya's overseas trade for 1940 reached the record total of 1,958,424,000 Straits dollars. The gross exports, including re-exports, amounted to \$1,128,169,000, and imports amounted to \$830,255,000. The corresponding figures for 1939 were \$1,378,336,000 for the gross value of overseas trade, \$759,194,000 for gross exports, and \$628,142,000 for imports. Last year's favourable balance of trade, therefore, was \$297,914,000, against \$122,052,000 in 1939.

Malaya's leading customer, the United States, took exports valued at \$591,502,000 in 1940, while Malayan imports from the United States amounted to only \$38,036,000. Malaya's contribution to the American "dollar arsenal" amounted on the basis of these statistics to at least £5,500,000 a month, though the actual figure depends on the extent to which the proceeds from Netherlands Indies rubber and tin sold to America through Singapore, went to the Dutch dollar reserves.

The importance of the Netherlands Indies *entrepot* trade through Singapore is shown by Malaya's imports from the Netherlands Indies last year, amounting

to \$287,392,000, much of which was re-exported, while Malayan exports to the Indies reached a value of \$37,914,000.

The increase in Malayan exports is principally due to bigger shipments of rubber and tin. Exports of tin in 1940 amounted to 130,935 tons as compared with 82,089 tons for 1939, and exports of rubber amounted to 772,767 tons as compared with 553,324 tons for 1939.

## WESTERN UNITED STATES MARKET FOR MAPLE SYRUP AND SUGAR\*

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, March 24, 1941.—A report covering production, imports and distribution of maple syrup and sugar in the United States as a whole was published in *Commercial Intelligence Journal* No. 1894 (May 18, 1940), a copy of which may be obtained upon application to the Department of Trade and Commerce, Ottawa.

### IMPORTS

The above-mentioned report showed 1939 imports into the United States from Canada, the only non-domestic source of supply, at 9,622,000 pounds of maple sugar valued at \$1,564,000 and 2,646,000 pounds of maple syrup at \$242,000, or a combined total of 12,268,000 pounds valued at \$1,806,000. Total imports from Canada in 1938 were 3,984,000 pounds; in 1937 the imports totalled 6,100,000 pounds and in 1936 they amounted to 6,500,000 pounds.

Domestic production in the United States averages 22,500,000 pounds in terms of sugar. Imports from Canada, therefore, account for about one-third of the total consumption. It is noteworthy that, in addition to being large producers, the States of Vermont, New York and Michigan took most of the imports from Canada. These states have become, therefore, centres for the processing, regrading and blending of maple products from all parts of the United States.

Direct imports into the Western States, according to official statistics, are negligible, indicating that these states are supplied almost entirely from the Eastern United States. No reliable estimate of the volume of rail shipments to the West is obtainable, and no one in the trade is prepared to venture an opinion as to the probable extent of the business.

### NATURE OF THE TRADE

#### SYRUP

With the exception of a limited sale for ice-cream flavouring, there are few industrial uses for syrup in the Western States. It is estimated that 90 per cent of the total sale of pure maple syrup is for table use. As in most other parts of the United States, the principal demand is for blends of cane and maple syrup. This is, of course, largely influenced by price; the majority of consumers cannot or will not pay the price for pure maple syrup when a satisfactory blend is offered at approximately half the price. Thus there is not enough business in pure maple syrup to warrant the stocking of more than one well-known brand in the shops. Attempts have been made from time to time to introduce new brands, but they have invariably failed, and a small volume of business continues to be enjoyed by the brand which has become established in any particular area.

The principal sale is in the urban centres. Rural areas, construction and mining camps, ranches, etc., use cheaper blends of maple syrup or corn syrup. It has been estimated that the sales of all other types of table syrup exceed the

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\*The Western United States comprise the eleven Pacific Coast and Mountain States.



sale of pure maple syrup by as much as twenty times. In states such as Arizona and New Mexico, where there are large populations of Mexicans, who have no taste for maple products, the business is quite small.

#### SUGAR

Maple product shipments to the Western States consist mainly of sugar for the use of blenders who bottle or tin their own brands. There are a dozen large blenders in the West and in addition there are a number of small concerns of little importance to the trade from the standpoint of volume. Some of the smaller blenders purchase liquid syrup but for the most part they use sugar.

#### MAIN GRADES PRODUCED AND PRICES

##### SYRUP

So-called first-run pure sap for table use is sold in 2-ounce, 12-ounce and 24-ounce bottles and 1-gallon tins. The 2-ounce individual size is sold for the hotel and restaurant trade; the 12-ounce retails at 35 cents and the 24-ounce at 65 cents. Gallon tins have a limited sale to hotels, and the present wholesale price is \$14.25 a case of six 1-gallon tins.

Second-run heavy syrup for blending with cane syrup is offered in 5-gallon tins at \$1.90 per gallon wholesale, and even darker and heavier syrup is sold for ice-cream flavouring in 5-gallon tins at \$2.40 per gallon. Both these grades are also obtainable in 50-gallon drums, but sales in this pack are infrequent, as the average buyer cannot use a large quantity before fermentation sets in. As mentioned previously, despite efforts on the part of at least one distributor, the ice-cream manufacturers use a surprisingly small quantity of pure maple syrup, preferring the cheaper imitation flavourings. As one means of encouraging a greater use of the pure syrup, this distributor offers a 2-quart tin especially packed for the ice-cream manufacturers. In many instances, this quantity is given away as a trial package but this rarely results in an order.

##### SUGAR

There are several grades of sugar offered for various purposes, but the principal one is made from a combination of Vermont and second-run Canadian syrups. Sales are mainly to the manufacturers of blended table syrups referred to earlier. Sugar is sold in blocks of approximately 65 pounds each, and current wholesale prices are 26 cents per pound for the best grade and 22 to 24 cents for blends such as Vermont and Canadian.

All wholesale prices quoted in this section are on an f.o.b. Los Angeles basis.

#### OPPORTUNITY FOR CANADIAN SUPPLIES

While it would be incorrect to say there is no opening for direct sales of Canadian maple syrup and sugar in the Western States, the possibilities are definitely limited by the conditions described in this report. Large distributors, such as the Cary Maple Sugar Company, St. Johnsbury, Vermont, and others, have been actively represented in this area for many years. Their brands of pure sap syrup are well introduced, and it has been found most difficult to persuade dealers to stock any new brands, thus increasing their inventory of a line for which the demand is limited. The industrial outlets for sugar are restricted to the blenders, whose formulae are based on the grades supplied from Vermont and New York, and it would not be easy to persuade them to experiment with a source of supply whose product might necessitate changes in their methods.



Because of these limitations, both in the size and nature of the market, the main difficulty would be to find distributors. There are few firms who would care to undertake the introduction of a line of Canadian maple products when the potential volume of business hardly justifies the effort and expense.

While this report is negative in character, the Canadian Trade Commissioner's office in Los Angeles would be glad to make a further study of the situation on behalf of any Canadian shippers who desire to have a special investigation made. Moreover, Canadian firms interested in direct business with Western blenders should inform the Trade Commissioner's office, thus enabling him to supply information should inquiries be received.

## WESTERN UNITED STATES MARKET FOR CHRISTMAS TREES

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, March 15, 1941.—Total imports of Christmas trees into all parts of the United States have averaged in recent years about 4,500,000 trees valued at \$500,000. Canada is practically the only source of supply with the exception of a few imports from Newfoundland. It is impossible to ascertain from official statistics the distribution of these imports within the United States, but it is known that the major portion is disposed of in the large cities of the East.

### EXTENT OF MARKET

Several of the Western States\* have an ample domestic supply in state and national forests, as well as on private lands. The States of Washington, Oregon, Idaho and Montana, in addition to supplying their own requirements, have surpluses which are marketed in other parts of the West. The markets of Wyoming and Colorado are in general supplied by local trees supplemented occasionally by small quantities from the Northwestern States.

The potential market for imported trees in this territory is therefore restricted, for all practical considerations, to the States of California, Nevada, Utah, Arizona and New Mexico. California is by far the most important from the standpoint of volume. While trees are harvested in the mountains of California, Nevada and Utah, a large importation from other states is necessary to complete requirements.

Rail deliveries of Christmas trees in California have averaged in recent years approximately 210 carloads, of which some 150 are distributed from Los Angeles to all centres in Southern California and to some extent to other Southwestern States. Deliveries to such cities as Phoenix, Arizona, which takes about five carloads a year, are usually made direct. There was an increased volume of business in such centres as San Diego, San Luis Obispo and others where defence and armament projects have resulted in an increase in population. The northern parts of the state are supplied to a great extent from trees cut from national forests and private lands in the mountainous areas, and consequently out-of-state deliveries to Northern California, with San Francisco as the main centre, total only 50 to 60 cars. This does not include deliveries by truck, the volume of which it is impossible to estimate.

Of the shipments delivered by rail in California, about 85 per cent originate in Washington and from two to four cars each in Oregon, Montana and Utah. In 1939 two cars from British Columbia were disposed of in the San Francisco area and three in the Los Angeles area. Shipments from Canada to California in 1940 are estimated to have been about the same as in the previous year.

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\*The eleven Pacific Coast and Mountain States.

## METHODS OF PURCHASE AND DISTRIBUTION

The business is controlled by a few large concerns, for one of which it is a full-time year-round venture. These firms make arrangements to cut trees on government lands under official supervision or on private lands, in which case the owner cuts the trees himself or the company sends in its own crew to do the work.

Payment is either in a lump sum or per tree. The price is on the basis of f.o.b. the shipping point nearest the trees rather than delivered to the ultimate destination. These large distributors are able to effect economies by assembling shipments and diverting supplies to the best markets.

The largest firm operates in all parts of the United States, supplying the eastern markets from trees cut in Ontario, Quebec, the Maritimes and the New England States, and the western markets from Washington, Oregon, Montana, Idaho, and to a limited extent from British Columbia.

These wholesale distributors market through a great many jobbers and dealers with whom contracts are made in advance of the season. The type of sales contract used by the largest distributor is shown hereunder:—

Sold to..... Date.....194....  
Address .....  
Mailing Address—  
Town..... County..... State.....

## WHOLESALE PRICES—194.... ORDER

Prices f.o.b. Distribution Point at.....

## DELIVERY IN DUE SEASON DECEMBER 194....

Terms Net:

No. of Bales	No. in Bales	Amount of Trees Ordered	Approximate Size	Tag Color	Estimated Weight Per Tree	Price Per Tree	Amount
	8		Trees 2 to 3 ft.	Red	2 lbs.	.15 ea.	.....
	6		Trees 3 to 4 ft.	Blue	3 lbs.	.25 ea.	.....
	4		Trees 5 to 6 ft.	Pink	6 lbs.	.50 ea.	.....
	3		Trees 7 to 8 ft.	Yellow	10 lbs.	.75 ea.	.....
	2		Trees 9 to 10 ft.	Purple	20 lbs.	1.05 ea.	.....
	1		Tree 12 ft.	Orange	30 lbs.	1.75 ea.	.....

Settlement due December 26 or on demand thereafter. Credit to be allowed at time unsold trees are counted by our agent. (No credit for any unsold items listed below.)

1	Trees 14 ft.	Green	50 lbs.	2.75 ea.	.....
1	Trees 16 ft.	White	75 lbs.	4.50 ea.	.....
1	Trees 18 ft.	White	125 lbs.	7.50 ea.	.....
1	Trees 20 ft.	White	200 lbs.	8.50 ea.	.....
1	Trees 25 ft.	White	300 lbs.	16.00 ea.	.....

37 Sold	Out	Paid	Total.....
	Of		
38 Sold	Out	Paid	
	Of		
39 Sold	Out	Paid	
	Of		

Salesman

Authorized Buyer

Lengths Above to be More or Less

It is understood that seller undertakes to use his best efforts to fulfil above order, but shall not be bound hereunder if, notwithstanding the same, delivery as stipulated is not made. It is also understood that no agent or other representative of seller is authorized to make any agreement, verbal or otherwise, not written herein. Our trees to be handled exclusively, otherwise no rebate for unsold trees. We reserve the right to limit quantity.

From the foregoing it will be noted that the distributors (a) carefully grade the trees for size and weight and indicate the various grades by a tag of distinctive colour; (b) pack a fixed number per bale or bundle according to the size of the tree; (c) fix wholesale prices; (d) sell on a consignment basis.

Final distribution to the consuming public is effected through chain stores, fruit and vegetable markets and temporary corner establishments which appear in all parts of the cities and towns a few days before Christmas.

Deliveries begin to arrive late in November. These early deliveries are large trees for decorative purposes in shops and streets. In Southern California they are held in cold storage to prevent deterioration. From December 10 onward large deliveries of standard household sizes begin and continue until about December 20.

### PRICES

In the sales contract quoted above, the wholesale prices are for the 1940 season. It will be noted that prices are lower here than in the East, as the trees sold on the Pacific Coast are generally much lighter than the balsam, for instance, and freight costs are consequently lower. The largest distributor states that prices on the Pacific Coast have not varied to any extent during the past few years, as the demand has been fairly accurately estimated in advance and the market has not been oversold. Occasionally smaller distributors or wholesalers will arrange independently for supplies of trees. This usually results in deliveries amounting to more than the market can absorb, as in 1938 when some thirty carloads were destroyed in the Los Angeles market. In 1939 there was a slight shortage. In 1940 the quantities delivered were not excessive but shipments were late, with the result that the market was glutted at the peak of the season, and several carloads were destroyed.

Retail prices for 7- to 8-foot trees, for example, in the 1940 season ran from \$1 to \$1.25, and for 9- to 10-foot trees from \$1.50 to \$2.25.

### TYPES OF TREES IN DEMAND

The most expensive variety is the silver-tipped fir found in the California mountain areas. Because of its stiff spreading branches it cannot be bundled and has to be stacked on end in box cars or motor trucks for shipment. The most plentiful varieties are the spruce and Douglas fir from the Pacific Northwest and British Columbia.

The most popular sizes are from 4 feet to 8 feet. Very large trees, say, 10 feet and over, or very small trees for table use are not in great demand.

### SHIPMENT

The main movement from the North is by rail in box cars. Local supplies in Washington, Oregon, Idaho and other producing states are shipped to the local markets by truck. In California most of the trees cut in the state move by truck, but a fair quantity, especially those for Los Angeles and the South, are railed. In general for distances less than 75 miles motor transportation is used, and rail transport for over that distance. Shipments by water from the North to California have been tried but discontinued because of the unsatisfactory condition in which the trees reached their destination. The Southern Pacific Railway handles the bulk of the traffic, and distribution takes place from sidings in San Francisco and Los Angeles.

Buyers make their own arrangements for unloading, and the railroad, therefore, makes no charge for this service. A car is allowed to remain forty-eight hours without charge; thereafter, demurrage is assessed at the rate of \$2 per day for the first four days and then \$5 per day.

The freight rate from Vancouver and New Westminster to San Francisco is 97 cents per hundred pounds, minimum carload 24,000 pounds; to Los Angeles the rate is \$1.21 per hundred pounds.



## DUTY

United States customs duty on Christmas trees is 5 per cent ad valorem.

### OPENING FOR BRITISH COLUMBIA AND ALBERTA TREES

As stated previously, there is an opening for Canadian trees, and the large buyers have expressed a desire to obtain supplies from Canada to a greater extent than they have heretofore. They would want to have some control over the selection of the trees and the method of cutting and, if the quantity warranted, would probably send their own buyers to supervise. One important requirement is that the trees be cut straight on the bottom. These buyers claim that their methods of harvesting are not detrimental to the forests, as proven by the fact that they have been cutting trees from the same lands for many years. They maintain that by thinning out the stands they actually improve the appearance of the remaining trees and render marketable many trees that would be stunted or lopsided.

Dealings direct with smaller distributors, jobbers or retailers are not generally recommended, as these usually desire consignment shipments. Such business involves the shipper in all the risks of the market, and he might find the returns for his trees sufficient to cover only his actual expenses and yield no profit. If the market were oversold and his trees unsold by December 25, the seller might learn that his shipment had been destroyed by the railway company. Unless, therefore, payment is obtained in advance or shipments are made on a fully secured basis, direct dealings with secondary distributors are not advisable.

Firms or individuals in Western Canada interested in getting in touch with United States buyers for distribution in the Western United States may obtain lists of the main distributors from the Department of Trade and Commerce, Ottawa, or by communicating direct with the Trade Commissioner at Los Angeles.

## MEXICAN MARKET FOR BICYCLES AND MOTORCYCLES

### A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, March 27, 1941.—Since bicycles are not manufactured in Mexico, the demand is met by imports. Until the outbreak of war, the most marked feature of the Mexican market was the increase in imports of bicycles from Germany, the other principal supplying countries being the United Kingdom, the United States and Japan. There were small imports also from France, Belgium and Czechoslovakia, but Canadian firms have made no effort to compete.

Some years ago this market was shared between the United Kingdom and the United States. Then Germany became an important supplier, imports of bicycles from that country increasing from 2,453 in 1935 to 27,105 in 1937. This increase was due to the lower prices quoted by German manufacturers and to their adoption of British designs and marketing methods. The Mexican cyclist has always preferred the British type of machine, but the Germans, besides copying it closely, sold their product at a lower price and granted longer terms of payment.

### IMPORTS

The following table shows imports of bicycles and motorcycles and accessories into Mexico for the years 1935 to 1939:—

	1935	1936	1937	1938	1939
Motorcycles . . . . .No.	257	558	1,646	1,438	332
Motorcycle accessories . . . .Kilo	5,398	4,983	6,290	7,927	5,650
Bicycles . . . . .No.	9,498	23,457	38,091	15,812	14,062
Bicycle accessories . . . . .Kilo	54,567	69,570	112,802	99,604	83,513
Bicycle and motorcycle tires .Kilo	20,183	26,520	28,856	34,005	19,063

The sharp decline in the volume of imports of bicycles and accessories in 1938 was due to the unfavourable Mexican exchange situation.

## MARKET DEMAND

Bicycles are not so commonly used in Mexico as in densely populated countries such as Italy, Belgium, and Holland, due to the fact that, except in the principal cities and on the highways, road conditions are not favourable for cycling. The marked increase, however, in the use of bicycles in the cities offers increasing opportunities for the sale of imported bicycles so long as there is no development of a national industry protected by high duties.

Bicycles are widely used for the delivery of mail, merchandise, newspapers, etc. In the country their use is chiefly limited to transportation. School children do not use them extensively, as the majority of schools arrange to transport the children by bus.

## TYPES OF BICYCLES IN DEMAND

Many types of bicycles are in use in Mexico. Appearance is an important factor in this market. Bicycles should be painted bright colours, and the bright metal parts should be well nickel-chromed. They should be fitted with lamps, bags, brakes, gear changes, etc. Frames of men's roadsters should be 22 inches high and of ladies' bicycles 20 inches, with a curved bar 26 inches by 1½ inch and not a straight angle bar as commonly found on United States models. Men's roadsters known as "Extra Styles" should have two bars. British manufacturers charge two shillings and the German firms R.M. 1.50 for this feature. Steel rims are in demand. The offers of the German firm of H. Von Wichmann (an exporting house, not a manufacturer) should be studied for this market.

Tandems have not appeared on the Mexican market. An attractive tandem might find a ready sale when the make has been well introduced.

As there is a certain amount of bicycle racing in Mexico, organized by the Government, models for this purpose are also required for this market. The frame for these should be 55 centimetres, with three brakes and three speeds, or with one brake and four speeds. Some are imported without brakes. The type of brake in use is rigid. Although chain brakes might be sold, they are not popular as yet. Efforts of French manufacturers to sell their products in Mexico were unsuccessful because they attempted to introduce flexible brakes too quickly.

The colours preferred for bicycles in Mexico are aluminium, bright red, light blue, dark blue, bright green, and white. It is important to register names that are attractive and that are easy to pronounce by Spaniards.

The English type of bicycle is preferred in Mexico despite heavy imports from the United States, which, except for Japanese competition, dominate the Mexican market. Free wheeling is a common feature of bicycles sold in Mexico.

Before the outbreak of war, many ladies' bicycles were imported from Germany, those imported from the United Kingdom and the United States being too expensive for this market. As a result, the sale of ladies' bicycles is dwindling.

## PRICES

Current quotations for United States makes of bicycles range from 120 to 200 pesos and for British and German models from 150 to 200 pesos. Sales of bicycles were lowest in 1940 but, as German stocks are being depleted and market conditions are better, improvement in this trade may be looked for.

## MOTORCYCLES

The importation of motorcycles into Mexico has declined, due to the cessation of supplies from Germany. On the other hand, motorcycles from the United Kingdom are too high in price, although their superior quality is recognized. There are a few imports from the United States. Sales of motorcycles in 1938 were the highest in recent years. Prices of German models, delivered in Mexico City, range from 500 to 1,200 pesos and for United States models from 1,900 to 2,100 pesos.



## VELOCIPEDES

Joycycles for children are generally known in Mexico as velocipedes. Imports have increased rapidly, the largest sales being recorded in 1940. No velocipedes are imported from the United Kingdom and, owing to their unattractive appearance, few have come from Germany. Prices of United States makes range from 72 cents to \$10 United States currency, delivered in Mexico City. No repair parts are imported for velocipedes, and the tires, which are not produced in Mexico, are imported attached. At present the United States is the only country supplying velocipedes to Mexico.

## EXCHANGE PIECES AND ACCESSORIES

Import statistics show that there is an active trade in exchange parts and accessories. As many bicycles from the United Kingdom and Germany are in use, parts should be adaptable for them as well as for new types. In order to obtain information on this point, firms entering the market should forward samples to the importer. As stated above, the United Kingdom has always dominated this market, but spare parts from Germany were made to fit bicycles imported from Britain. Thus the trade in spare parts in Mexico is standardized.

Copy of a catalogue issued by a well-known Japanese manufacturer and exporter of bicycles and accessories is on file at the Department of Trade and Commerce, Ottawa, and is available for inspection by interested Canadian firms. The Japanese registered trade shields for bicycles are not up to the standard of European types.

Bicycles sold on the Mexican market are fitted with chromium- and nickel-plated handlebars having celluloid grips. The front brake is a rim roller, and the rear wheel is fitted with rim brakes. Saddles generally have three-coil spiral springs. All types of pedals are in use, such as streamlined and with spindles. The rims are always of metal, except in the case of some racing bicycles. Coaster-brake hubs are used to some extent. Freak handlebars are not nearly as common in Mexico as in Europe.

The standard front forks are 10 inches, but 12-inch and 13-inch sizes are sometimes used. Chromium plate adds to the appearance of front forks.

All types of accessories and exchange pieces are imported into Mexico, such as lugs and shells; seat pins and nuts; lamp brackets; hubs; seats; ball head bearings; bracket cotters; bracket spindles, with cups and combs; bracket cups; hanger parts; mudguards; chain wheels and cranks; handlebars and brakes; handle grips; brake sundries; hub spindles; free wheels; spokes and nipples; rims; chains and chain adjusters; tool bags; saddle bags; bells; lamps; chain covers; front and back carriers; locks; reflectors; pumps; pump clips, etc.

## TIRES

A considerable number of bicycle tires are imported into Mexico. Tires, however, are produced locally and are said to be satisfactory and cheaper than imported products. The most popular size is 28 inches by 1½ inch. The price of this Mexican tire is four pesos (82 cents United States currency). British and United States tires are also in common use.

## PACKING

The method of packing bicycles is generally based on the experience of the individual manufacturer. As a rule bicycles arrive in Mexico fully set up, five or six machines to a crate. Metal parts should be greased and packed with paper to prevent rusting. Handlebars should be adjusted so that six machines can be fitted to a crate. These crates should be securely tied and carefully padded.



The Japanese ship six standard bicycles, 24-inch frames and 28-inch wheels, with bells, lamps, tool bags, carriers, and stands, unassembled, with wheels unbuilt, in crates of 19 cubic feet capacity; unassembled bicycles, with wheels built up, are shipped in crates of 25 cubic feet.

This form of packing obviates the necessity of assembly after the machines arrive in Mexico, which entails a certain amount of labour by the distributor. Labour difficulties are frequent in Mexico, and anything that can be done to aid the importer in this regard is of great advantage to him.

### DUTIES

The Mexican tariff is an important factor affecting the importation of bicycles. These should be invoiced as "bicycles complete", that is to say, the price for each bicycle should include the cost of its accessories. For example, if the cost of a bicycle is \$50 and that of the accessories is \$7.50, the invoice price should read \$57.50. Thus the importer is accorded the advantageous rate of 15 Mexican pesos, since the rate for bicycles with accessories is the same as for bicycles without. On the other hand, if the accessories are invoiced separately, the importer must pay the import duty of 15 pesos on the bicycle itself plus the customs duties on the accessories.

Mexican tariff rates on bicycles, tricycles, motorcycles and accessories are as follows:—

	Pesos Each
Bicycles of all kinds . . . . .	15
Motorcycles of all kinds, for passengers, without a sidecar . . . . .	40
Motorcycles of all kinds, for transportation of goods, without body . . . . .	40
Wheels with tires, provided with a motor, to be attached to bicycles, not moved by human power . . . . .	10
	Pesos per Kilo Gross Weight
Rubber tires and inner tubes for motorcycles and bicycles . . . . .	1
	Pesos per Legal Kilo
Tricycles of all kinds . . . . .	1
Loose parts and repair parts of all kinds, n.o.p., for motorcycles . . . . .	1
Loose parts and repair parts of all kinds, n.o.p. for bicycles . . . . .	1

## INQUIRIES FROM MEXICO FOR TEXTILE MACHINERY ACCESSORIES

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, March 28, 1941.—From time to time the office of the Canadian Trade Commissioner at Mexico City has received requests for repair parts and accessories for textile machinery from Canada. It is considered, in view of the numerous lines involved, that it is preferable to bring this information to the attention of Canadian exporters through the medium of a report rather than by publication of a trade inquiry. The articles in which importers in Mexico are principally interested are as follows:—

Roving cans made of fibre, 36 inches by 9 inches.  
 Card clothing, 37, 40, 41 and 45 inches.  
 Doffer clothing, 37, 40, 41 and 45 inches.  
 Clothing for cleaning cards.  
 Bobbins for slubbers, thick, 10 inches high, with protectors.  
 Bobbins for slubbers, medium, 9 inches high, with protectors.  
 Bobbins for slubbers, fine, 8 inches high, with protectors.  
 Bobbins for slubbers, fine, 7 inches high, with protectors.  
 Skewers, for 10-, 9-, 8- and 7-inch tubes.  
 Bobbins for weft spinning frames, with protectors, 5, 6 and 7 inches.  
 Bobbins for filling spinning frames, with protectors, 5 and 6 inches high.  
 Warper bobbins, 5 inches by 4 inches, 5½ inches by 4 inches and 6 inches by 4 inches.  
 Shuttles, 13½ inches and 14½ inches long.

Ring travellers for spinning frames, steel.  
Ring travellers for twister, brass.  
Loom combs, counts 32 to 88.  
Loom belts.  
Grates, springs, etc., for looms.  
Clothing for burnishing rollers.

At present the Canadian Government Trade Commissioner in Mexico is in touch with several agents who are desirous of establishing contact with Canadian suppliers on account of the difficulty of obtaining material from Europe.

Canadian exporters desirous of entering this market, are invited to communicate at once with the Canadian Trade Commissioner, Apartado No. 126-Bis, Mexico, D.F.

## CUBAN ECONOMIC CONDITIONS IN 1940

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, March 25, 1941.—The general trend of economic conditions in Cuba in 1940 was definitely downward. With a few minor exceptions practically every phase of economic activity was adversely affected. This was due almost entirely to the war, and was a continuation of the movement which started in the latter part of 1939.

Normally European markets provide a very important outlet for both sugar and tobacco, which are Cuba's two principal crops. Ordinarily about 30 per cent of Cuba's raw sugar went to Europe, but with the application of the blockade from April to June to almost all European countries, this proportion was cut by some two-thirds. From May onwards practically the only important purchaser of sugar was Great Britain, and the amounts bought were almost wholly for British home consumption, the re-export to the Continent of Cuban raws, refined in Great Britain, having been almost wholly wiped out by the war.

Sugar and its by-products account for about 80 per cent of Cuba's total export trade, and it is estimated that about 75 per cent of the population depends upon this commodity. Therefore the closure of continental markets had a marked adverse effect on Cuban economy, resulting in the value of imports in 1940 being the lowest since 1936 and in the value of exports being the lowest since 1934, and in the favourable balance of trade being the smallest since 1930.

## SOCIAL AND ECONOMIC LEGISLATION

The outstanding features of the past year were the completion of the new constitution and the presidential election in July. Up to the present it has not been found possible to put into effect all the clauses of the new constitution because of the lack of funds. Considering the present financial situation of the country, it is unlikely that those clauses, which entail considerable expenditure over and above what has been provided for in the normal budgets of recent years, will be given effect for some considerable time. It is reported that to do so would increase the budget by about 15 per cent, and at the same time certain clauses of the new constitution would reduce income from present taxation by about 8 per cent. An attempt is now being made to surmount these difficulties by the introduction of new tax measures which are designed not only to eliminate the recurrent large annual budget deficits of recent years but also to make it possible to put into effect the clauses of the new constitution which entail abnormal expenditure.

The new revenue required is estimated at \$19,500,000 which is roughly one-quarter of the 1940 budget. The new tax law, which is now under debate, and is designed to raise this amount, includes provisions for new or increased levies on the following items: gasoline; petroleum; exportations of money; real estate; insurance premiums; sales and income; excess profits; inheritance;



companies registration and recapitalization; postal and telegraph messages; matches; automatic lighters; wines and vermouths; alcohol; prepared waters and soft drinks; sugar and molasses; stamp tax for documents; bearer shares; foreign securities; amusements.

One very highly controversial matter, the Mortgage Moratorium Extension Law, was settled during the year. Although the principal of mortgages finally was not reduced, the interest rates of all mortgages under the moratorium were drastically cut. The applicable rates vary from 3 per cent on amounts up to \$15,000 down to 1 per cent on amounts in excess of \$800,000. Arrears of interest were wiped out up to the date on which the law became effective, and provision was made for the amortization of all such mortgages within periods ranging from 25 to 35 years.

#### BUSINESS INDICES

Negotiations were carried on during the later part of 1940 for a loan of \$50,000,000 from the United States Export-Import Bank. To date these negotiations have been unsuccessful. However, a loan of \$12,000,000 has just been secured against the hypothecation of 400,000 tons of raw sugar. This will permit the extra production in 1941 of this quantity of sugar, which will greatly relieve the position of labour in the sugar industry. Because of the very short production this year, labour would otherwise most likely have suffered considerable distress before the commencement of the next grinding season in January, 1942.

No budget for 1941 could be agreed on in time to bring it into force on January 1. Accordingly the 1940 budget, amounting to \$77,548,713, was put into effect for the first quarter of 1941. It is likely that this budget will continue until June 30, as it is proposed to revert then to the old fiscal year, July 1 to June 30. The budget deficit on the above figures for 1940 is closely estimated at \$5,500,000.

In an attempt to wipe out a similar deficit in 1941, it has been proposed to Congress, but not yet passed, that there be a round reduction of 10 per cent in all 1941 budgetary items.

Cuba's total funded public debt, pending amortization, amounts to \$131,469,820. No figures are available for the floating debt, but this is conservatively estimated at \$90,000,000.

Custom House collections for the year amounted to \$20,620,243, which was a better record than for either of the two preceding years. Total bank deposits on December 31 were \$128,063,521. Bank loans for the year amounted to \$79,715,115. Bank clearings in Havana totalled \$708,250,552, which is the highest recorded since 1930 when the total was \$750,004,916. Total merchandise sales in 1940 are listed at \$682,201,000 which compares favourably with figures for the four preceding years.

#### TOURIST TRAFFIC

The total number of tourists to Cuba in 1940 was appreciably lower than the number for any year since 1935. However, the number that disembarked in Cuban ports, viz. 77,814, was higher than the figures for several years. The heavy decline in the total was due to the greatly decreased number of tourists in transit, which amounted to only 49,648. No estimate of the amount of money left in the country by tourists is available, but it is known that the trade as a whole constitutes Cuba's third industry if not its second.

#### FOREIGN TRADE

For the calendar year 1940 imports were valued at \$103,860,139 as compared with \$105,861,814 in the previous year and \$106,007,325 in 1938. Of the 1940 total, the United States supplied 78 per cent valued at \$81,041,970. This percentage was appreciably in excess of that enjoyed by the United States for



many years. Cuban buyers turned to the United States mainly when European sources of supply were cut off.

For the same period Cuban exports were valued at \$127,288,307 as against \$147,676,258 in 1939, and \$142,677,752 in 1938. Of the 1940 exports, the United States took 82.4 per cent, which was also a higher percentage than that for many years previously. This increased export trade was likewise due to the fact that many Cuban products were forced on the United States market in order to replace the markets lost in Europe.

### TRADE WITH CANADA

According to Cuban statistics, which are not particularly reliable so far as trade with Canada is concerned, sales of Canadian products to Cuba during the year were valued at \$698,631 as compared with \$986,398 in 1939, and \$815,490 in 1938. The true figure, however, is considerably in excess of that given, since an important percentage of Canadian exports is credited in the Cuban statistics to the United States.

Cuban exports to Canada in 1940 were valued at \$1,014,116, which is the highest recorded since 1934. Comparative figures for 1939 are \$634,503 and for 1938 \$334,967. There is little doubt that these successive increases are due partially to better statistical recording.

### SUGAR

A sharp decline occurred in sugar exports as compared with the calendar year 1939. The total volume of exports amounted to 1,989,192 long tons, which was the smallest for a number of years. Comparable figures for 1939 and 1938 were respectively 2,687,186 tons and 2,525,441 tons. This decrease in exports was due almost wholly to the cutting off of European markets because of the war. While this condition lasts there is very little likelihood that Cuba will be able to better 1940's export volume, unless the shipping position becomes so acute that the United States will find it necessary to increase appreciably the annual quota of raw sugar allotted to Cuba.

Sugar stocks in Cuba on December 31 amounted to 1,184,393 long tons. Comparative figures for 1939 and 1938 were respectively 588,298 tons and 729,172 tons. The large increase in stocks on hand at that date is accounted for almost wholly by world quota sugars which it was found impossible to sell in European markets.

The volume of sugar exports not only was seriously curtailed, but declining shipments abroad and rising stocks brought with them a price recession that culminated in the lowest price for Cuban raw sugar since the chaotic period centering on May, 1932, when it dropped to 47 cents. Early in 1941 this price f.o.b. Cuban ports for "world quota" sugars reached 70 cents per long hundred-weight. The price at date of writing has reacted to 85 cents.

Because of the heavy stocks on hand and the very unfavourable export outlook, the 1941 sugar crop was sharply reduced on March 4 by government decree to 2,000,000 long tons. Since that time a further 400,000 tons have been authorized, which will be hypothecated in return for a loan of \$12,000,000 from the Export-Import Bank. This tonnage really represents advance production, which finally will have to be subtracted from future crops.

The quota for Cuban sugar in the United States has been set for 1941 at 1,645,558 long tons. Of this amount, however, only 958,891 tons will be supplied from the 2,000,000-ton 1941 crop sugar. The remainder, 686,667 tons, will be 1940 crop sugar, most of which was already in the United States awaiting the opening of the 1941 quota. Of the remainder of the 2,000,000-ton 1941 crop, 150,000 tons are ear-marked for local consumption, 99,963 tons are reserved for export to countries other than the United States, 291,146 tons are to be set

aside as a reserve for such countries, and 500,000 tons are to be set aside as a reserve for the United States. The decree forbids export of this latter amount until 1942. It will be evident, therefore, that unless the United States market or the world market or both show a marked increase in demand, the stocks which will be on hand in Cuba at the end of 1941 will go a long way towards meeting all export demand in 1942 and will therefore further reduce the 1942 crop commensurately.

### TOBACCO

The Cuban tobacco industry experienced the worst year in its history since the turn of the century; total exports of tobacco of all kinds in 1940 amounted to only \$12,138,722. Comparative figures for 1939 and 1938 were respectively \$14,094,383 and \$14,044,269. The export volume of leaf tobacco decreased by only some 15 per cent, but the decline in exports of cigars was more than 50 per cent. The export value for leaf tobacco was \$10,879,972 and for cigars \$1,193,240. In the case of cigars the decrease in value as compared to volume was 60 per cent; it was due almost entirely to the loss of the British market because of wartime conditions. The United States took 74 per cent of all tobacco items shipped abroad, which showed a considerable advance over the 62 per cent of 1939 and the 58 per cent of 1938.

### FRUITS AND VEGETABLES

One bright spot in Cuban economy was the notable increase in the exportation of fruits and vegetables, most of which were absorbed by the United States. Total exports for 1940 were valued at \$9,541,784 as compared with \$5,575,901 in 1939 and \$6,822,320 in 1938.

## BUSINESS CONDITIONS IN THE DOMINICAN REPUBLIC

### C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, March 28, 1941.—The Dominican Republic suffered from severe economic depression in 1940. One cause of this depression was an extended drought which persisted during the first five months of the year. Not only were the quantity returns of crops sharply reduced, but the quality in practically every case also suffered. However, this decreased crop volume was by no means so serious a factor as was the extreme difficulty experienced in marketing the crops which were available.

The four main agricultural crops—sugar, cocoa, coffee and tobacco—normally found their markets in previous years in Europe. After the invasion of Norway, the Low Countries and France by Germany, these markets were completely cut off by the blockade. The result was a period of confusion in export circles while new markets were being sought. Surpluses continued to pile up and at the end of the year these had become very unwieldy in many instances.

The Dominican Republic, however, was fortunate in that Great Britain and Canada undertook to purchase practically the whole of the available sugar crop. This transaction was effected, however, at a reduced price, which diminished appreciably the income from this product. It was found possible also to market all but a small percentage of the cocoa crop in the United States. The coffee trade, however, suffered severely. Sales prospects were so unpromising that an appreciable portion of the crop was never picked. The tobacco industry is practically at a standstill, most of it still remaining in the exporters' warehouses. Cotton is one of the lesser items in Dominican economy and fortunately enough markets were found for the entire production last year.

Generally, the sales prices of all of the Republic's export crops were considerably below those prevailing before the start of the war. This factor not



only had an adverse effect upon the purchasing power of the country as a whole, but it reduced commensurately the revenue to the Government from export taxes, which is an important item in the fiscal picture. The continuance of the war is almost certain to depress Dominican economy much further. With the exception of the British Isles and Spain, the whole of Europe is cut off. Little can be expected from Spain as a cash purchaser, and whereas last year Great Britain, in conjunction with Canada, bought practically the whole of the sugar crop and the cotton crop, there was up to the early part of 1941 no indication that these sugar purchases would be repeated. The Republic has no quota in the United States market, and unless Great Britain resumes purchases of Dominican sugar the economic situation is likely to become chaotic.

#### BUSINESS INDICES

Total customs revenue for 1940 amounted to about \$2,476,000. This amount was about \$555,000 less than the previous year, a decrease of some 16 per cent. Internal revenue taxes for the year totalled about \$3,202,000, which was \$231,000 or about 7 per cent less than the collections of 1939 under this heading.

Retail trade generally is estimated to have been from 40 to 45 per cent less during the year than for the two previous years. Because of the dismal outlook for the disposal of the 1940-41 crops and the reduced prices at which these are being sold in order to find any market for them, the prospects of any increase in the volume of retail sales in 1941 are most unpromising.

#### CROPS

The 1941 sugar crop is estimated at 425,000 to 450,000 tons, of which about 350,000 tons are for export, the remainder to be retained for local consumption. The disposal of this crop remains most uncertain. To date only a few thousand tons have been exported and practically no advance orders are in hand.

The whole of the 1940 cocoa crop has already been sold. The 1941 crop is estimated to be some 7,000 metric tons, about equivalent to that of last year.

Of the 1940 tobacco crop of about 125,000 bales of 160 pounds each, about 100,000 bales still remained in the country unsold at the beginning of the present month.

#### HAITIAN BUSINESS CONDITIONS

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, March 28, 1941.—The economic experiences of Haiti during 1940 and the situation at the end of the year were almost identical with those of the Dominican Republic, except that they were more aggravated in each case. Haiti's normal markets have always been in Europe and the institution of the blockade has had a disastrous effect on the entire economy of the Republic. Almost all of the normal export markets for every one of Haiti's agricultural products were cut off completely during the few weeks of the German campaign on the Continent, leaving little time or opportunity for the development of new export outlets.

Coffee is Haiti's main agricultural crop and is followed in importance by sugar, cocoa and cotton. The 1939 coffee crop was appreciably smaller in volume than that of the year before. Low prices made harvesting unattractive and a considerable proportion of the crop was left unpicked. In spite of its much smaller volume the crops could not be disposed of during the crop year and a surplus still remained when the new 1940 crop commenced to appear on the market in November. The new crop was also considerably smaller for the same reason applying in 1939, viz., that prevailing prices and sales prospects did not warrant the expense of harvesting the poorer grades in many areas. By the end of the year the coffee position verged on the desperate, although some head-



way had been made in forcing it on the United States market at reduced prices. Some relief in this respect was accorded by the Government when, on October 30 it decreased the coffee export duty by one-third.

Even less success was obtained in the disposal of the sugar and the cotton crops. Normally Great Britain purchases the whole of these crops, but by the end of the year no indication had been given by the British Government that any purchases whatever of one or the other of these two commodities would be permitted this crop year. The marketing of cocoa was more successful as the United States is the normal market for this product.

On the whole, the marketing failures outweighed the marketing successes, and unless new markets can soon be found for the unsold third of the coffee crop and the whole of the sugar and cotton crops, Haiti will experience in 1941 deep and widespread distress, greater than that ever experienced since the turn of the century.

In view of these circumstances the Government was forced in January to request from the United States Government and the Foreign Bondholders Protective Association a temporary reduction from 6 to 4 per cent in the interest on Series A and C bonds of the Republic. The interest coupons on these bonds fall due on April 1 and October 1, 1941. After studying the revenue figures (summarized below), an agreement covering the postponement of the one-third of the interest payments was signed by the two Governments on February 13.

#### BUSINESS INDICES

Customs and internal revenue taxes are the two chief sources of the Government's income. The combined revenue of these during the period of the present fiscal year from October 1, 1940, to February 20, 1941, decreased by over 7 per cent as compared to the similar period a year ago. The respective amounts converted from gourdes to United States dollars were \$2,171,056 and \$2,338,153. For the same period there was a sharp forced reduction in government expenditure, the total at \$1,666,200 being \$279,600 less than for the similar period of a year ago. At January 31 the treasury surplus was \$210,200 as compared with \$354,000 on the same date in 1940. At the same date the gross public debt amounted to \$12,792,400 as compared with \$11,136,000 a year earlier.

At the end of January bank credits were closely restricted. Collections on hand were some 11 per cent greater than those of a year ago. Of the total, past-due items constituted well over a third, which itself was a sharp rise in past-due items as compared to the previous month.

#### FOREIGN TRADE

In the fiscal year ending September 30, 1940, the value of total imports into Haiti, converted from gourdes to U.S. dollars, amounted to \$7,940,115 as compared to \$8,180,736 in the previous fiscal year. Total exports amounted to \$5,399,040 as against \$7,267,635 in 1938-39. Although the import decrease was only some 3 per cent, the export decrease exceeded 25 per cent. It was the smallest export value recorded since before the outbreak of the first World War. The result of the year's trading was an unfavourable trade balance of \$2,541,075 which greatly exceeded that of the year before and which has not been equalled since the two chaotic years following the end of the first World War. This adverse trade balance amounted to more than 47 per cent of the value of total exports.

Import values for the October-January period of the present fiscal year (1940-41) amounted to \$2,690,000 and export values to \$1,522,400, giving an unfavourable balance of \$1,167,600 for the four months.

### COFFEE

The new coffee crop is estimated at anywhere from 20,000 to 24,000 metric tons. The harvesting of the entire crop will depend largely upon the price offered and whether new markets can be found. The present price of coffee is considerably below the average price received for the previous crop and it is not considered likely that the total exports during this fiscal year will much exceed the quota which has been arranged for the United States market. This quota, as set by the Inter-American Coffee Agreement signed at Washington on November 28, 1940, amounts to 16,500 metric tons. In recent years the annual production of coffee for export has averaged around 26,500 metric tons. A new, although small, market for Haitian coffee has recently been found in Canada, and it is hoped in Haiti that this market will grow to sizeable proportions.

Coffee exports up to the middle of February ran 12 per cent less in quantity and 33 per cent less in value than in the same period of the last crop year.

### OTHER EXPORT PRODUCTS

The normal export market for cocoa is the United States and practically the whole of this crop has already been sold and shipped.

The normal market for both the sugar and the cotton crops is Great Britain, but entirely new markets for these two commodities apparently must be found this year. Raw sugar stocks for export annually amount to about 30,000 tons, and of cotton to 20,000 bales. The sales outlook for both of these crops is very unpromising. So far as known at present, no sales of sugar have been booked, but it is reported that Japan has contracted for about 20 per cent of the available cotton.

The exports of bananas are running well ahead of last year, but it is reported that disease is making inroads in the plantations.

Sisal exports are also considerably in excess of those for the same four-month period last year. On the whole, however, the export outlook is decidedly unfavourable and it is almost certain that export figures will be still lower than the low export values of last year.

### ECONOMIC CONDITIONS IN BRAZIL IN 1940

During the first eleven months of 1940 imports into Brazil rose in value to 4,607,000 contos (\$281,027,000) from 4,445,000 contos (\$271,145,000) in the previous year, a gain of 162,000 contos, states Mr. L. S. Glass, Canadian Trade Commissioner at Rio de Janeiro in a report to the Department of Trade and Commerce. On the other hand, while rising in value, imports declined in volume by 376,000 tons. Exports fell off both in value and volume during the same period. They declined in value from 5,210,000 contos (\$317,810,000) to 4,448,000 contos (\$271,328,000) or by 763,000 contos, and in volume from 3,905,000 tons to 2,918,000 tons. In the first eleven months of the year Brazil thus had an adverse visible trade balance of 159,375 contos (\$9,721,875).

Partly offsetting this unfavourable trade balance, Brazil benefited by foreign exchange brought in by refugees and by the transfer of funds to Brazil by business firms and organizations abroad. The amount which thus entered the country is estimated to be not less than \$20,000,000. Another alleviating factor has been the loans from the United States for industrial expansion and exchange control.

Due to the dislocation of Brazil's trade with Europe, the direction of both import and export trade has been modified and in this change Canada has figured to a considerable extent, imports from Canada, according to Brazilian figures, increased from 60,175 contos (\$3,670,675) in the eleven months of 1939 to 86,144



contos (\$5,254,784) in those of last year. At the same time Brazil's exports to Canada rose from 18,039 contos (\$1,100,379) to 83,275 contos (\$5,079,775). Thus Brazilian-Canadian trade approached closely to a balance.

Brazil's imports from the United States during the period also rose from 1,139,000 contos (\$69,479,000) to 2,348,000 contos (\$143,228,000), but exports to the United States declined from 1,871,000 contos (\$114,131,000) to 1,816,000 contos (\$110,776,000). It was the first time in the history of commercial exchanges between Brazil and the United States, it is believed, that the balance of trade was unfavourable to Brazil.

In spite of war conditions, imports from the United Kingdom increased in value from 422,000 contos (\$25,742,000) to 461,000 contos (\$28,121,000). Exports to the United Kingdom nearly doubled in value, rising from 492,000 contos (\$30,012,000) to 817,000 contos (\$49,837,000).

Brazil's internal economy was considerably disturbed during the year due to the war. Considering the number of disturbing factors, however, business was remarkably steady. As suggestive of the difficulties that the war has created for Brazilian commerce, Mr. Glass points out that a large percentage of the banking business in Brazil is done by foreign banks. Many Brazilian firms maintained balances in European countries, particularly in France, Denmark, Belgium and Holland, and when these countries were invaded these funds were entirely blocked.

Business conditions in Brazil in the immediate future will evidently be largely dependent on the war situation. Brazil's foreign trade will suffer as long as the war continues and for some time afterwards. It should be noted, however, that Brazilian exports are steadily becoming more diversified and that industrialization is now reaching a point at which Brazil is able to export successfully to neighbouring countries. But a considerable time must elapse before the benefits accruing from this diversification will offset the loss of the European markets.

## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### MEDICINE STAMP DUTY TO BE REPEALED

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the United Kingdom budget, introduced on April 7, includes a proposal to repeal Medicine Stamp Duty as from September 2.

Medicine Stamp Duty, which is graduated from 3d. where the selling price to the public of the box, bottle, etc. with its contents does not exceed 1s., to £2 where the value exceeds £50, is payable on medicines domestically produced in Great Britain as well as on imported medicines. Generally speaking, medicines are only required to be stamped if proprietary rights in the preparation are claimed or if they are held out to be or recommended as a cure for human ailments.

### Chile

#### NEW LEAFLET ON DOCUMENTATION

Canadian exporters are reminded that, when making shipments to Chile, care should be taken to prepare shipping documents in accordance with prescribed regulations. Documents which must be submitted to a Chilean consul for legalization are the certificate of origin and the bill of lading. It is also advisable to prepare a commercial invoice and, in some cases, a packing list. Instructions on how these documents should be completed are contained in a leaflet just issued, a copy of which may be obtained by interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa.



## FOREIGN EXCHANGE CONTROL: ADDITIONS TO STERLING AREA

Iceland, the Faroe Islands and the "Free French" Colonies named in the following paragraph have now been included in the sterling area for foreign exchange control purposes, according to a recent announcement of the Foreign Exchange Control Board. To give effect to this change, the Board has issued Public Circular No. 10, dated April 2, amending Public Circular No. 8 dated February 3, 1941. The latter should therefore be cancelled.

With these additions, the expression "sterling area" now means and includes any territories under the sovereignty, protection, suzerainty or mandate of His Majesty (except Canada, Newfoundland and Hongkong), and also includes Egypt, the Anglo-Egyptian Sudan, Iraq, Belgian Congo, Ruanda-Urundi, Iceland, Faroe Islands, and the "Free French" Colonies of French Cameroons, French Equatorial Africa (composed of Chad, Ubanghi-Chari, Middle Congo and Gaboon), French Settlements in India and French Oceania (composed of New Caledonia, New Hebrides and Tahiti).

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 7, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 7, 1941, and for the week ending Monday, March 31, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Mar. 31	Nominal Quotations in Montreal Week ending April 7	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	—
Sweden . . . . .	Krona	.2680	.2644	.2644	3½
Switzerland . . . . .	Franc	.1930	.2576	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2280	.2278	3
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2570	.2570	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4409	.4409	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0581	.0586	—
Hongkong . . . . .	Dollar	.....	.2716	.2719	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs— Ham, Uncooked and Boned....	70	Mexico City, Mexico.....	Agency.
Miscellaneous— Pure Woollen Yarn.....	71	San Francisco, California..	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

A63

C. H. PAYNE, *Director*

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## Argentina

**J. A. STRONG**, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: **L. M. COSGRAVE**. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

**L. S. GLASS**. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

**PAUL SYKES**. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

**J. L. MUTTER**, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

**V. E. DUCLOS**. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

**C. S. BISSETT**. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

**HENRI TURCOT**. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

## Hongkong

**P. V. McLANE**. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

**JAMES CORMACK**, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 331, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 633. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

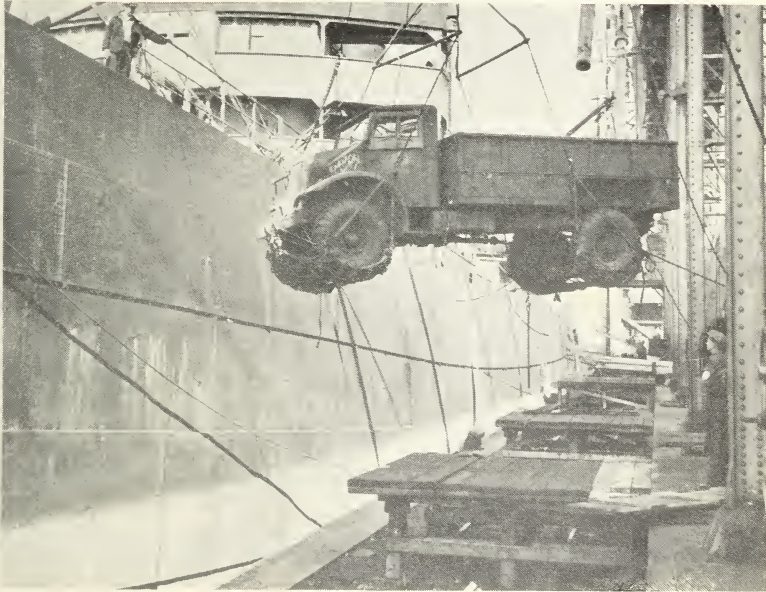
**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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No. 1942



An Army Truck being hoisted on a Supply Ship at an East Coast  
Canadian Port

*Photo—Public Information*

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER



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Vol. LXIV

Ottawa, April 19, 1941

No. 1942

## CANADA'S INCREASED TRADE WITH SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, March 11, 1941.—Preliminary foreign trade figures for the calendar year 1940, which have just been published, illustrate the marked expansion which has taken place in the value of South Africa's imports from Canada. In 1938 only 3.5 per cent of the value of this country's total imports came from Canadian sources. In 1939 this ratio had risen to 4.3 per cent, while in 1940 it again rose sharply to 9 per cent.

The trend of South African imports from Canada during the past six years has been as follows:—

	Merchandise	Government Stores	Total
1940 .....	£8,500,070	£825,182	£9,325,252
1939 .....	3,629,025	439,632	4,068,657
1938 .....	3,011,328	515,449	3,556,777
1937 .....	3,420,233	314,316	3,734,549
1936 .....	2,882,089	236,052	3,118,141
1935 .....	2,436,734	245,348	2,682,085

Government stores include all direct purchases for government account as distinct from ordinary merchandise. No details are as yet obtainable on which to base a statistical review of Canadian-South African trade during 1940, complete figures not being published until after the middle of the succeeding period.

As in 1939 the United Kingdom remained the principal source of the Union of South Africa's imports, supplying 37.6 per cent of the total value. The United States was second with 25 per cent, and Canada with 9 per cent was third. Japan followed in fourth place with 4.6 per cent.

## AUSTRALIAN TRADE AND ECONOMIC NOTES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

### MOTOR VEHICLE REGISTRATION IN AUSTRALIA

Sydney, February 28, 1941.—The cancellation of registration of private cars and commercial motor vehicles in Australia during 1940 reached a record total. Owing primarily to war conditions and petrol rationing, licences were not renewed for some 64,500 automobiles, representing 7.7 per cent of the 833,615 motor vehicles registered throughout the Commonwealth at December 31, 1939. This number comprised 45,600 passenger cars and approximately 18,780 commercial motor vehicles. The sales of new motor vehicles throughout Australia during 1940 declined to 39,000 from an annual average of approximately 75,000. The net result is that there are now some 25,000 fewer automobiles in use throughout Australia than during the same period of the previous year.

It is estimated that this reduction will cut down petrol consumption by approximately 8,000,000 gallons per annum on the basis of the existing rationing schedule.

#### EXCISE AND POST OFFICE REVENUE

Increased commercial activities throughout the Commonwealth as a result of war conditions are clearly reflected in recent official figures of customs, excise and postal revenues, which are well in excess of the budget estimates for the last six months. Customs and excise revenue in the period July 1 to December 31, 1940, amounted to £26,990,595, being £1,216,498 above the estimate. Post Office revenue was £9,263,477 or £170,470 above the estimate. Customs and excise revenue was £804,045 higher than for the corresponding period of 1939, and the budget estimates had provided for a decrease. Post Office revenue was £416,735 above that of the corresponding period of the previous year; in this instance, the budget estimates provided for an increase of £492,531 for the year. The effect of record Christmas sales is clearly evident in the revenue for December, which at £1,621,610 showed an increase of £90,541 over figures for December, 1939.

#### RADIO PROGRESS

As a result of the war, Australia's radio manufacturing resources have shown marked expansion. Of particular interest is the continued development of requirements for civil aviation, in addition to army, navy and air force needs. Some 10 radio course ranges have been established along commercial routes throughout the Commonwealth, and 12 new stations are in course of construction for the Department of Civil Aviation. Many of these stations will be established in remote areas; so remote that it will be necessary to generate power for radio transmission by the use of diesel engines.

During 1940 initial steps were taken for the production of aircraft instruments of a highly technical nature, including the Sperry gyro artificial horizon and the Sperry directional gyro. Aeronautical compasses are also being produced in Australia by agreement with British manufacturers and their manufacture is shortly to be followed by that of altimeters, air speed indicators, rate of climb indicators, bearing compasses, vacuum gauges, manifold pressure gauges, and other technical instruments.

During the latter part of 1940, a further radio-telephone service—the sixth installation of this nature in the past two years—was opened between Australia and the Philippine Islands.

#### MEAT TRADE

The British Government's policy of building up supplies of non-perishable foodstuffs has caused a remarkable change in Australia's meat export. Bacon and pork are now being shipped for curing in much greater quantities than hitherto, while beef, lamb and mutton exports have shown a sharp decline. The greatest increase in meat exports has been recorded in canned meats, the value for the five months ended November 30, 1940, being £744,240, an increase of £419,698 over the corresponding period of the previous year. Other meat export figures for this period, with the increase over 1939 period within parentheses, were: bacon and hams, £149,088 (£48,050); potted and concentrated meats, £34,147 (£16,535); pork, £833,168 (£338,242). Meat exports showing decreases (amounts within parentheses) were: beef, £2,448,817 (£36,584); lamb, £2,683,871 (£634,682); mutton, £159,160 (£250,791).

#### TOOL MAKING

The production of machine tools in Australia has shown remarkable increase during the past year, following the cutting-off of many overseas sources of supply. At the commencement of the war there were only three engineering firms pro-

ducing a limited range of tools; now more than thirty firms are turning out machine tools, and items already delivered or under construction total 4,300 valued at over £3,000,000. These items include precision tools, gauges, jigs and fixtures. Machinery being produced includes engine lathes (with bases up to 30 feet long); gun lathes for turning, boring and riveting; drilling, milling and shaping machines; large capacity grinders; and a complete range of presses up to 3,000 tons capacity.

#### DECLINE IN UNEMPLOYMENT

The percentage of unemployment for the quarter ended December 30, 1940, was 6.2, the lowest figure since 1927 when it fell to 5.9. The Commonwealth Statistician states that, aside from enlistments in the army, navy and air force, employment in Australia increased by approximately 2.5 per cent from November, 1939, until November, 1940. The number of persons employed in Australian factories in the latter month was 37.3 per cent greater than in the pre-depression year 1928-29 and 9 per cent greater than in the pre-war year 1938-39. In the latter comparison estimated increases by States were as follows: New South Wales, 6.9 per cent; Victoria, 5.3 per cent; Queensland, 2.4 per cent; South Australia, 17.1 per cent; Tasmania, 4.3 per cent. In Western Australia a decrease of 0.9 per cent was recorded.

Similarly, employment in retail stores at the end of the year showed an increase of 30.9 per cent since July, 1933, and an increase of 0.7 per cent since 1938-39.

#### EASTERN GROUP SUPPLY COUNCIL AT DELHI

The appointment of an Australian mission, headed by Sir Bertram Stevens, formerly Premier of New South Wales, to the Eastern Group Supply Council at Delhi, was announced in January. This important Council includes representatives of the United Kingdom, Australia, New Zealand, South Africa and India. The Council will have power to purchase, to hold stocks, and to call for information covering the supply position of participating countries in relation to munitions, stores, and other war supplies; and also to incur financial commitments within limits. It has further been empowered to arrange for new production of essential items, based on the raw materials available in the areas concerned.

It was announced that the Council would consist of a chairman and four members appointed respectively by the United Kingdom, Australia, New Zealand, South Africa and India, and, in addition, a representative of the chief of the general staff in charge of the central provision office.

Other Empire countries included in the Eastern Group are: Southern Rhodesia, Burma, Ceylon, Malaya, Palestine, Hongkong, and the territories represented in the East African Governors' conference—Kenya, Uganda, Tanganyika, Northern Rhodesia, Nyassaland and Zanzibar. These will be given representation on the Council as required.

In view of Australia's increasing industrial development, it is anticipated that substantial orders for war materials of all kinds will be placed with the Commonwealth for supply to the participating areas. As a direct result of information supplied by the Australian delegates, orders to the value of £A2,000,000 have already been placed with this country, including orders for 1,000,000 yards of woven material, 500,000 pairs of socks, 300,000 blankets, 300,000 pairs of drawers and a similar number of service caps. Army field wireless sets and accessories to the value of £A360,000 are also included, with special orders for Tiger Moth aircraft and parts for India and Burma, and miscellaneous items such as steel helmets, rifle furniture, leather and enamelware, water-bottles, steel tubes and general stores. Orders for processed foodstuffs amount to more than £A500,000 and include a wide range of products from condensed milk to chocolate, preserved meats to peanuts, jam, cheese and biscuits.



## COTTON PRODUCTION SURVEY

In view of serious shipping difficulties, the Commonwealth Government is now making plans for increased domestic production of cotton. Australia previously imported almost four-fifths of her requirements, and although her cotton-growing acreage has doubled this year, production is still far below normal domestic requirements. The Government of Queensland particularly is concentrating on this problem in view of that State's very suitable climatic conditions.

## WAR EXPENDITURE

The Acting Prime Minister and Treasurer, Mr. Fadden, states that expenditure by the Commonwealth Government for war purposes during the six months ended December 31, 1940, totalled £64,798,000. Of funds used to meet this amount, £9,852,000 was derived from revenue and £54,946,000 from loans. During the seven months ended January 31, 1941, the following amounts were received by the Commonwealth Government for expenditure on the war: Loans from the public and banks (including £A22,340,000 raised in London from the public, and the United Kingdom Government), £76,889,000; interest-free loans, £5,226,000; war savings certificates (net cash received), £13,798,000; war savings stamps, £35,000; gifts, £730,000; total, £96,678,000. Australian economists regard this position as extremely satisfactory. It indicates an excellent response from the public.

## PLANNING FOR POST-WAR PROBLEMS

The Australian Minister for Labour and National Service, Mr. Holt, recently discussed reconstruction plans with state premiers, outlining preliminary measures and plans for post-war work of this nature. These plans include: (a) a close watch on wartime industrial development to decide which industrial expansions and new industries can be considered desirable as permanent additions to the Commonwealth's economic structure; (b) examination of changes in export markets to judge their likely effects on post-war production; (c) planning for re-absorption into civil occupation not only of demobilized fighting men, but also of munition workers and others whose normal occupations have been disturbed by the advent of war; (d) maintenance of close touch with other countries' reconstruction proposals and policies which would react on Australian markets and the flow of migration; (e) advance investigation of Australia's likely interests in various types of international settlements after the war; (f) modification of government policies which might tend towards unnecessary post-war difficulties; and (g) education of the people for the readjustments involved in such reconstruction.

## TRADE OF HONGKONG IN 1940

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(HK\$1 equals 22½ cents Canadian)

Hongkong, March 8, 1941.—There was an increase of 21·9 per cent in the value of Hongkong's visible trade during 1940 as compared with that for the previous year, the figures being HK\$1,374,500,000 and HK\$1,127,600,000 respectively.

Total imports during 1940 were recorded at HK\$752,700,000 as against HK\$594,200,000 in 1939, an increase of more than 25 per cent. Exports were valued at HK\$621,800,000 as compared with HK\$533,385,000, showing a gain of 16 per cent. The visible merchandise trade balance of Hongkong in 1940 was thus unfavourable to the extent of HK\$130,900,000 as compared with an unfavourable balance of HK\$60,815,000 in 1939.

The statistical branch of the Hongkong Government is no longer releasing figures of trade by countries, so it is impossible to provide data on the direction of trade. However, it may be safely assumed that all British Empire countries, as well as those neutral countries which are not located in the war zones, have increased their shares of Hongkong's import trade so far as their commitments at home and export regulations have allowed.

The increase of HK\$158,500,000 in the value of 1940 imports into Hongkong was due to increases in thirteen of the twenty-three main groups of commodities shown in the Hongkong trade returns. In the case of exports, which were HK\$88,415,000 higher in value, there were also increases in thirteen of the main groups.

The following table shows the values of imports and exports by main groups in 1940 and 1939:—

*Imports into and Exports from Hongkong by Main Groups*

	Imports		Exports	
	1940	1939	1940	1939
	Thousands of Hongkong Dollars			
Animals, live. . . . .	12,336	14,170	494	461
Building materials . . . . .	8,756	7,746	3,520	3,122
Chemicals and drugs. . . . .	12,986	7,735	7,093	6,880
Chinese medicines . . . . .	25,415	25,828	24,305	23,269
Dyeing materials. . . . .	6,766	8,102	6,861	8,843
Foodstuffs . . . . .	211,832	137,369	158,904	108,755
Fuels. . . . .	29,877	16,399	906	731
Hardware. . . . .	4,950	4,722	6,388	4,370
Liquors . . . . .	5,639	4,859	2,123	1,495
Machinery . . . . .	7,463	10,688	6,258	6,995
Manures . . . . .	4,585	7,748	6,157	8,110
Metals . . . . .	36,692	36,981	26,828	37,481
Minerals and ores . . . . .	2,688	5,553	14,388	22,504
Nuts and seeds . . . . .	10,925	9,868	4,759	6,470
Oils and fats . . . . .	100,218	89,442	74,071	75,038
Paints . . . . .	3,139	1,942	2,014	1,817
Paper and paperware. . . . .	19,576	10,640	11,788	8,362
Piece-goods. . . . .	142,145	99,201	98,174	72,621
Railway materials . . . . .	78	146	42	138
Tobacco . . . . .	11,054	9,587	16,311	9,654
Vehicles . . . . .	7,089	13,627	11,692	20,464
Wearing apparel. . . . .	3,650	4,441	41,438	28,520
Sundries . . . . .	84,880	67,405	97,238	77,285
Total . . . . .	752,739	594,199	621,752	533,385

## MEXICAN MARKET FOR WALLBOARD

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, April 5, 1941.—Various types of United States wallboard are on sale in Mexico, among them being such well-known makes as Cellotex, Masonite, and Durolite. Canadian wallboard, on the other hand, has not been marketed in Mexico, as far as can be ascertained, due apparently to the difficulty of introducing such a product into this market.

United States distributors have found it necessary, in order to open and maintain a market for their products, to name as sales representatives individuals or firms who carry stocks. To what extent these firms do business on their own account and hold stocks at the cost of their United States suppliers is, of course, a matter of mutual arrangement.

To introduce Canadian wallboard into this market, it would be necessary for exporters to interest some suitable firm. This firm should be preferably one that is already well known to the Mexican trade and that maintains agencies

for related building materials. Canadian firms would then have to arrange with this firm to carry stocks, publicity material, etc., from which to meet the current needs of builders, architects and others. As the exporter would probably have to offer stock on consignment, the reliability of the agent must be assured.

### UNITED STATES SUPPLIES

The following table gives the types, sizes and prices of the leading makes of wallboard supplied by United States manufacturers to this market:—

	Thickness in Inches	Dimensions in Metres	Pesos per Sq. Metre
Cellotex.. . . . .	$\frac{1}{2}$	2.44 by 1.22	2.69
		3.05 by 1.22	2.61
		3.66 by 1.22	2.57
	$\frac{5}{16}$	3.66 by 1.22	2.23
Masonite.. . . . .	$\frac{1}{8}$	3.66 by 1.22	4.62
	$\frac{1}{2}$	2.44 by 1.22	2.64
		3.05 by 1.22	2.64
		3.66 by 1.22	2.64
Durolite.. . . . .	0.1572	3.66 by 1.22	4.50
		1.83 by 1.22	4.50
		2.44 by 1.22	5.50
		3.66 by 1.22	5.50

### DUTIES

The duties on wallboard entering Mexico, expressed in pesos per kilo gross weight, are as follows:—

	Pesos per Kilo
Sheets of wood-pulp or vegetable fibre, even though painted or embossed, weighing over 2 kilos per square metre.. . . . .	0.04
Sheets of wood-pulp or vegetable fibre, weighing over 2 kilos per square metre, and with veneers adhered to them up to 16/10,000 metre in thickness.. . . . .	0.10

### TERMS OF PAYMENT

Only a few purchasers of wallboard in Mexico will open an irrevocable letter of credit; the majority pay cash against documents in Mexico City. However, reliable agents are responsible in any case in such transactions. Further, exporters of this product should bear in mind that in the rare cases when a letter of credit is opened it will never be made payable in Canada, but only in New York in United States dollars.

### IMPORTS

Imports of wallboard into Mexico from January to November of 1940 were as follows:—

	Kilos	Pesos
Sheets of wood-pulp or vegetable fibre, even though they are painted or embossed, weighing over 2 kilos per square metre—		
United States.. . . . .	728,251	416,196
Italy.. . . . .	26,834	15,967
Japan.. . . . .	365	401
Sheets of wood-pulp or vegetable fibre weighing over 2 kilos per square metre, with veneers adhered to them up to 16/10,000 metre in thickness—		
United States.. . . . .	122	72



**MEXICAN MARKET FOR GLASS AND GLASS PRODUCTS**

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, March 24, 1941.—In spite of the limited production of glass in Canada, the Mexican market for this product is not without interest for Canadian exporters. Hardware stores in Mexico generally carry a complete line of cheap glassware, such as tumblers, jars, bottles, lamps, etc., as well as window glass.

Before the Great War Mexico was a large importer, as all the requirements were met from foreign supplies. Since then a fair-sized local industry has grown up. However, wine glasses have been imported from Germany and to a small extent from France and Belgium. Ordinary water tumblers have come from the United States. Some heavy cut glass has been imported from Canada, but to a very limited extent. Until Mexico went into the business of manufacturing its own beer bottles, about a quarter of a million dollars worth of bottles were imported for the beer manufacturing industry. Of these some 60 per cent came from Germany and 30 per cent from the United States. Glass bottles also are now being produced locally, but fancy forms are always imported. It may be added that eye glasses and lenses are all imported, some from Canada. Before the present war there was also a fair trade in glass buttons from Czechoslovakia and Germany.

Despite local production, glass is a commodity which will probably continue to be purchased from abroad for some time to come.

**LOCAL PRODUCTION**

Of recent years Mexico has made considerable strides in the production of window glass, glassware, and glass containers. This has been directly due to the importation of modern automatic machinery. The following figures show the volume of production in 1938 and 1939:—

	1938	1939
	1,000 Pieces	1,000 Pieces
Containers manufactured with automatic machines ..	73,276	103,622
Containers manufactured with hand-worked machinery	6,751	10,431
Crystalware manufactured with automatic machines..	8,439	.....
Crystalware manufactured with hand-worked machines	1,151	716
Containers manufactured by hand . . . . .	307	873
Glass articles manufactured by hand . . . . .	4,456	15,954
	1,000 Sq. Met.	1,000 Sq. Met.
Plate glass . . . . .	785	985

There has been a fairly substantial export of bottles and glass demijohns, principally to the United States. Nicaragua has also of late taken a fair amount of Mexican glass containers. Other purchases of this line have been Honduras, Cuba, El Salvador, Guatemala, and Peru. A considerable trade has also been developed in what is known as Mexican glassware. The glass factory of Avalos Hermanos in Mexico is well known, the glass caricatures made by this firm being chiefly sold as American tourist gifts. Mexican blown glassware has also been of considerable interest to United States stores specializing in novelty articles.

At one time, as already noted, Mexico was a large importer of bottles for beer, etc., but the local industry has already made great progress in this line. In glassware for drug stores, and particularly in ampoules, the Mexican production is believed to satisfy some 50 per cent of the national consumption, although before the war the glass tubes for making these ampoules were chiefly imported from France. Local production of ampoules is estimated at from 50,000,000 to 60,000,000 pieces a year, of which 25 per cent are ampoules of 25 cc. capacity.

## IMPORTS

The following figures show the total imports into Mexico from 1935 to 1939, of the main classes of glass of all types:—

	1935 Tons	1936 Tons	1937 Tons	1938 Tons	1939 Tons
Totals . . . . .	2,862	5,102	6,779	3,927	5,061
Manufactures . . . . .	600	942	1,147	797	788
Containers . . . . .	998	1,250	2,473	1,152	974
Plate glass . . . . .	1,157	2,720	2,815	1,691	2,906
Mirrors . . . . .	16	38	48	37	24
Tubes and rods . . . . .	49	66	96	99	243
Glass for enamelling and scrap . . . . .	31	48	70	35	95
Threaded and granulated glass . . . . .	11	38	130	116	31

The first group listed, "glass manufactures", includes glass and crystal pieces, cut and engraved, decorated with gold, silver, or colours, mounted or framed in metal, etc. The item "containers" includes bottles, vials and flasks, plain and decorated, ampoules and siphon bottles. The importance of the imports of ampoules is due to the large increase in production during recent years of the pharmaceutical industry in Mexico through the establishment of a number of laboratories. The third group, "plate glass" or "window glass", is interesting in view of the fact that at Monterrey there is a factory of considerable size producing this type of glass, some of which is exported to Canada. The demand for mirrors is met by importations from Germany and the United States; there is, however, a considerable national production.

The section covering tubes and rods is chiefly represented by imports for neon lighting, which is becoming popular in the Capital, as well as by raw material for the local manufacture of ampoules. Neither rods nor tubes are yet manufactured in Mexico and, as these are the primary products necessary for a competent industry, until Mexico produces them the country cannot be considered to be self-sufficient in glassware. Mexico is therefore still an important outlet for exporters in glass manufacturing countries. High-class glass for pharmaceutical purposes is also imported in a small way, and is limited to the luxury trade.

## BOTTLES

Canada is already a supplier of bottles to Mexico. In view of the fact that Italy and France are out of the market and shipments from Germany are greatly curtailed, Canadian manufacturers should be able to increase their share of this trade, particularly in bottles of over 400 grams in weight. The following table shows the quantities and values of bottles imported into Mexico from the principal supplying countries in 1939, and the first nine months of 1940:—

Classification and Country of Origin	1939		Jan.-Sept., 1940	
	Kilos	Pesos	Kilos	Pesos
Glass bottles and jars not polished or decorated, with a weight up to 50 grams—				
Total . . . . .	95,050	232,178	73,605	212,167
Germany . . . . .	40,452	132,178	3,985	10,179
Cuba . . . . .	40	73	.....	.....
United States . . . . .	35,880	69,200	42,956	114,800
France . . . . .	13,768	47,276	18,040	60,789
Great Britain . . . . .	41	176	1,335	1,884
Hungary . . . . .	578	2,136	.....	.....
Italy . . . . .	1,548	4,748	3,810	17,841
Japan . . . . .	1,705	3,464	3,440	6,660
Poland . . . . .	1,014	294	.....	.....
Switzerland . . . . .	22	248	39	14
As above, with a weight above 50 but not exceeding 100 grams—				
Total . . . . .	101,514	128,475	58,994	85,594
Germany . . . . .	30,123	38,389	5,868	9,126
Argentina . . . . .	2,126	2,579	1,660	2,335
United States . . . . .	44,322	42,272	33,866	44,439

Classification and Country of Origin	1939		Jan.-Sept., 1940	
	Kilos	Pesos	Kilos	Pesos
France . . . . .	21,394	40,168	16,394	27,783
Great Britain . . . . .	152	136	261	833
Hungary . . . . .	83	413	265	250
Italy . . . . .	1,319	2,284	200	147
Japan . . . . .	1,989	2,214	318	363
Netherlands . . . . .	.....	.....	162	318
As above, with a weight above 100 but not exceeding 200 grams—				
Total . . . . .	181,932	163,889	130,143	134,781
Germany . . . . .	37,596	30,679	5,804	5,512
Argentina . . . . .	124	146	980	978
Canada . . . . .	1,394	1,048	.....	2
United States . . . . .	108,984	81,107	88,987	63,185
France . . . . .	32,339	49,658	32,147	62,417
Great Britain . . . . .	975	922	1,579	2,021
Italy . . . . .	491	274	176	132
Japan . . . . .	1	1	469	532
As above, with a weight above 200 but not exceeding 400 grams—				
Total . . . . .	335,210	180,282	144,899	108,748
Germany . . . . .	21,361	18,003	7,817	6,227
Argentina . . . . .	3,251	2,798	2,241	2,270
Canada . . . . .	158	108	116	61
Bohemia and Moravia . . . . .	90	102	.....	.....
United States . . . . .	276,734	127,860	94,438	52,076
France . . . . .	24,721	26,279	27,199	40,782
Great Britain . . . . .	868	458	3,613	2,763
Italy . . . . .	8,003	4,658	9,383	4,482
Japan . . . . .	1	1	70	58
As above, with a weight exceeding 400 grams—				
Total . . . . .	157,496	103,594	120,008	74,334
Germany . . . . .	35,579	32,724	1,251	869
Argentina . . . . .	137	130	258	228
Canada . . . . .	1,127	395	700	351
Denmark . . . . .	.....	.....	1,372	537
Spain . . . . .	.....	.....	233	80
United States . . . . .	63,179	32,487	73,022	45,199
France . . . . .	29,046	25,481	24,232	17,176
Great Britain . . . . .	24,966	9,949	12,783	6,053
Greece . . . . .	.....	.....	792	388
Italy . . . . .	1,829	1,286	2,573	1,598
Japan . . . . .	5	1	2,084	1,422
Netherlands . . . . .	572	817	668	397
Poland . . . . .	956	258	.....	.....
Sweden . . . . .	38	25	.....	.....

### PLATE GLASS AND CRYSTAL

Plate glass and crystal of a thickness up to one centimetre is perhaps the most important item in the Mexican glass trade. This includes the following kinds of glass:—

1. Double strength glass, thickness 3.00 to 3.4 mm.
2. Heavy sheet glass, thickness 3.7 to 4.00 mm.  
Heavy sheet glass, 3/16 in. thickness 4.7 to 5.00 mm.  
Heavy sheet glass, 7/32 in. thickness 5.4 to 5.7 mm.  
Heavy sheet glass, 1/4 in. thickness 6.2 to 6.6 mm.
3. Rolled wire glass.
4. Coloured rolled glass.
5. Plate glass for show windows and mirrors.

The import figures for this class of goods are as follows:—

Classification and country of origin Plate glass and crystal, of a thickness up to one centimetre—	1939		Jan.-Sept., 1940	
	Kilos	Pesos	Kilos	Pesos
Total . . . . .	2,548,844	1,519,135	1,388,912	1,010,684
Germany . . . . .	599,589	219,832	497	812
Belgium . . . . .	1,210,286	472,345	913,674	373,726
United States . . . . .	642,421	720,952	472,240	635,350
France . . . . .	94,225	105,419	40	24
Great Britain . . . . .	2,304	577	2,461	772



Classification and country of origin	1939		Jan.-Sept., 1940	
	Kilos	Pesos	Kilos	Pesos
Plate glass and crystal, of a thickness exceeding one centimetre—				
Total.. . . . .	24,417	16,364	64,590	43,197
Belgium.. . . . .	19,417	11,953	34,231	21,055
United States.. . . . .	1,656	2,758	30,355	22,132
France.. . . . .	3,708	1,653	....	....
Glue-frosted and engraved plate glass and crystal—				
Total.. . . . .	825	1,014	507	656
Denmark.. . . . .	650	802	....	....
United States.. . . . .	175	190	506	655
Plate glass and crystal with a wire netting core—				
Total.. . . . .	47,487	17,691	29,865	8,752
Germany.. . . . .	31,605	5,261	....	....
Belgium.. . . . .	6,768	2,172	1,350	226
United States.. . . . .	6,444	7,626	28,515	8,526
Great Britain.. . . . .	2,670	2,632	....	....
Sheets of glass made of an opaque mass known as "Vitrolite," of a thickness up to one centimetre, n.o.p.—				
Total.. . . . .	10,952	13,925	1,572	2,510
Belgium.. . . . .	715	255	....	....
United States.. . . . .	10,237	13,670	1,572	2,510
As above, with a thickness exceeding one centimetre—				
Total.. . . . .	1,185	1,682	....	....
United States.. . . . .	1,185	1,682	....	....

In plate glass the only quality imported is the "glazing for glazing" quality. Usually all these glasses are ordered in "stock" sizes, that is, the sizes of the sheets are only approximate. Only small quantities are imported in "cut" sizes.

European exporters ship in cases containing 60 square metres (eventually cases of 30 square metres), while United States exporters ship in cases containing 300 square feet. These sizes, however, do not apply to plate glass used for show windows and mirrors; for this type large cases must be used.

### AMPOULES

There are two manufacturers of ampoules in Mexico, but these firms have to import the glass tubes for manufacturing them. Further, their production by no means covers local consumption. Germany has always been an important factor in this trade and still continues to be, goods arriving via the Trans-Siberian Railway.

The following table shows importations and indicates that the above-mentioned local production is insufficient:—

Classification and Country of Origin	1939		Jan.-Sept., 1940	
	Kilos	Pesos	Kilos	Pesos
Glass ampoules to contain injectable solutions—				
Total.. . . . .	152,785	753,927	142,107	646,959
Germany.. . . . .	72,285	334,158	7,568	38,795
United States.. . . . .	8,726	52,074	24,380	171,608
France.. . . . .	34,553	211,826	38,707	178,256
Great Britain.. . . . .	....	....	344	1,494
Hungary.. . . . .	11,437	45,983	29	136
Italy.. . . . .	25,779	109,865	35,999	189,713
Japan.. . . . .	2	6	35,099	66,952

The glass used locally is imported from the United States and is known as Kimbel glass (alkali-free glass). The best sellers are types No. 2 and 3. The following table shows the prices of the locally made ampoules in white and amber glass:—

	Type 2		Type 3	
	White Pesos per 1,000	Amber Pesos per 1,000	White Pesos per 1,000	Amber Pesos per 1,000
1 cc. . . . .	20.00	26.50	16.50	22.50
2 cc. . . . .	25.00	34.50	21.50	29.00
3 cc. . . . .	29.50	39.50	26.00	35.50
5 cc. . . . .	47.50	63.00	41.00	56.50
10 cc. . . . .	95.00	114.00	80.00	96.00

The leading local manufacturer in Mexico is the Ampolletas, S. A., Mexico, D. F. The above quotations are in Mexican pesos per thousand, and it should be borne in mind that discounts are listed up to 20 per cent according to the quantities bought.

Canadian prices have just been received and are estimated to be from 5 to 10 per cent too high as compared with prices of ampoules imported from the United States. It should be noted that charges on imports from New York to Mexico City range from 15 to 20 per cent according to weight.

#### AMPOULE CUTTERS

Carborundum ampoule cutters with three cutting edges are imported into Mexico. It is probable that the sizes required in Mexico are larger than those used in Canada. Canadian exporters should quote on larger sizes than those in use in the Dominion.

#### SERUM CONTAINERS

Mexican statistics do not list serum containers separately, but they probably come under the heading "frascos de vidrio", imports of which are as follows:—

Classification and Country of Origin	1939		Jan-Sept., 1941	
	Kilos	Pesos	Kilos	Pesos
Glass jars lined with leather, straw, gutta-percha, cloth of all kinds, or common metal—				
Total . . . . .	32,083	112,436	22,888	67,506
Germany . . . . .	27,867	96,624	1,606	5,744
Belgium . . . . .	202	653	.....	.....
China . . . . .	.....	2	405	1,278
United States . . . . .	2,304	12,291	13,352	41,119
France . . . . .	103	105	.....	.....
Japan . . . . .	1,586	2,632	7,497	19,176
Netherlands . . . . .	21	129	28	188

It should be noted that double sealing vials are not in use in Mexico; the sleeve-type vial is chiefly in demand on this market, the usual capacities being 1 cc., 2 cc., and 10 cc. Serum containers imported from the United States are made of neutral glass, and the prices, without discounts, are as follows in United States currency: 1 cc., \$1.50; 2 cc., \$1.50; 5 cc., \$1.75; 10 cc., \$2.25.

Large sizes are also required, such as 20 cc. and 25 cc., the United States prices of which are \$3 to \$5. All these quotations are for containers without stoppers. These are generally sold separately at \$2.60 per thousand, less 10 per cent and 5 per cent.

The Canadian Trade Commissioner in Mexico City would be pleased to receive prices and samples of Canadian-made neutral glass serum containers that can compete in price. Imports of these serum containers into Mexico amount in value to about \$1,000 a month.

#### DROPPER BOTTLES

Importations of dropper bottles are chiefly from the United States, as Germany is not as prominent among suppliers as formerly. The required capacities in these bottles run from  $\frac{1}{2}$  ounce up, and the description of the bottles is "flint square", "amber square", "amber round", and "flint round". Naturally the type of bottle in demand depends on its use, but bottles are required for mercurochrome, iodine, eye and nose drops, concentrates, corn remedies and nail enamel. It is stated that the "Pres-so" applicator is the most popular on this market for mercurochrome, iodine, etc. A moulded cap and dropper is required for eye and nose drops, etc., a moulded cap and rod is used for corn remedies, and for nail enamel a moulded cap and brush is in demand. It is possible that United States prices can be met on this market, and the Trade Commissioner's office in Mexico City would be pleased to receive

samples from Canadian firms. It should be noted that the straight-type dropper is more in demand than the curved.

### GENERAL MEDICAL SUPPLIES

Sales of ethyl chloride tubes are not large in Mexico. Sealing burners are imported from the United States at a price of \$4.50 each f.a.s. New York. A high-quality sealing burner is not in demand on this market.

## PUERTO RICAN ECONOMIC CONDITIONS IN 1940

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, March 27, 1941.—The past year in Puerto Rico was a strange mixture of extreme prosperity and acute depression. For the previous eight years severe depression had been the keynote of the political and economic situations. However, in 1940 the island experienced the greatest wave of prosperity it had had since the close of the last war. This occurred in spite of the fact that the country's second industry, needlework, at the end of June became almost wholly inoperative. In addition agricultural exports declined month by month, the final record showing that 1940 in this respect was one of the worst depression years since 1928.

Despite these very unfavourable factors, the general tone for the whole year, but particularly the latter part of it, was one of exceptional prosperity. This result was achieved almost entirely through the large amounts of money injected into Puerto Rican economy by the United States Government. The importance of Puerto Rico as a key-point for the defence of the Caribbean and the Panama Canal brought with it large expenditures for the construction of army, navy and air bases and fortifications generally. In addition, a great deal of money flowed into the island through various civil agencies of the United States Government, such as the W.P. Administration and the A.A. Administration.

### PURCHASING POWER

Greatly increased payrolls, which were not supplied by Puerto Rico itself, caused the marked upswing in both wholesale and retail business. Not only were many thousands of Puerto Rico's unemployed put to work on these various military and civil projects, but many thousands of civil employees also were brought in from the United States. The wage and salary level of these latter is considerably higher than that paid to local Puerto Rican labour, and accordingly in comparison their purchasing power is high. The two factors combined to increase greatly local purchasing power, particularly in and around those centres, such as San Juan, where the largest construction projects are being carried on. This was accentuated by the very considerable rise in the level of wages and salaries paid to Puerto Rican labourers and to white-collar employees on these government projects. The effect of this wage scale was to raise appreciably the wage and salary level ordinarily in force among Puerto Rican concerns. Purchasing power was further augmented by the influx into the island of appreciably increased army, navy and air personnel. All these factors combined were responsible for the high degree of prosperity experienced in the year under review.

### RETAIL AND WHOLESALE BUSINESS

Retail business over the whole island, as compared with 1939, increased roughly by 20 per cent. There was less change for the better in sales of staple commodities than there was in those of luxury goods. This would indicate that the profit situation was also very satisfactory. Satisfactory profits usually



mean healthy credit and collection conditions. That these exist in Puerto Rico is borne out by the fact that wholesalers report their credit relations and collection conditions with retailers to be better than they have ever been since 1920. Retailers report that instalment accounts and accounts receivable are also in better condition than they have been for a great many years. Wholesalers also report an average sales increase of around 20 per cent. Profits are considered to have been better than those for any year since 1928.

#### DECREASED INDUSTRY RETURNS

Disregarding this artificial stimulus, which saved the economic situation, Puerto Rico otherwise suffered acute depression. The sugar industry was not as badly affected as other industries, because it has a sheltered market in the United States.

However, the second industry, needlework, was practically wiped out as a contributing factor to prosperity after June, 1940, due to the enforcement in Puerto Rico of the Fair Labour Standards Act, a measure designed to improve working conditions, hours of labour, wage rates, etc., on the mainland. The scales of wages and hours are so little applicable to conditions in the needlework industry in Puerto Rico that their enforced application in June almost completely closed down that industry. That situation persisted at the end of the year and will continue as long as this Act is in force.

As compared to the average values for the preceding eight-year period, exports of sugar decreased by 15 per cent and those of needlework products by 35 per cent. All of this decrease in needlework occurred during the last half of the year.

Tobacco exports, although better than the eight-year average, included a large proportion of the 1939 crop which, because of the confusion in the industry caused by the same Act, could not be exported in 1939.

Exports of fruit and vegetable products decreased by 25 per cent. The only article showing an increase was rum.

#### CONSTRUCTION AND REAL ESTATE

Apart from the large amount of construction carried on for military, naval and air purposes, there was a construction boom for civil purposes. Late in 1939 the United States Housing Authority was established in Puerto Rico, and a federal government grant of \$12,000,000 for the purpose of building some 6,000 low-rental family houses was made to the island. One important condition modifying the issue of grants from this appropriation was that local authorities had to undertake to eliminate slum property to the equivalent of the new housing to be built.

At the end of December almost 80 per cent of the above appropriation had already been allotted, covering 23 separate housing projects controlled by the Puerto Rico Government and various municipal authorities. It is hoped that a similar appropriation for housing and slum clearance may be obtained for 1941 from the United States Government.

In addition to this government-aided construction, some \$6,500,000 worth of housing was built by private citizens.

#### FOREIGN TRADE

In 1940 Puerto Rico's imports were valued roughly at \$103,250,000 and exports at \$82,500,000, resulting in an unfavourable balance of trade of \$20,750,000. The average value of imports for the previous eight years was \$71,200,008 and of exports \$87,483,081, with a favourable average trade balance for the same period of \$15,783,072. The fact that Puerto Rico owed its

prosperity in 1940 entirely to the pouring of United States Government money into the island is shown by the above figures. Ordinarily acute depression would have been the result of last year's trade conditions. Since 1936 there has been a steady decline in the value of Puerto Rican exports, and considering the legislative controls imposed upon industry last year, there is little doubt that exports for 1941 will show a further sharp reduction.

### SUGAR

For the 1939-40 fiscal year, ending June 30, the value of sugar exports, including molasses, was \$58,042,513 as compared with \$54,238,301 in 1939 and \$51,360,637 in 1938. In each of these years this combined item accounted for close to 63 per cent of the island's total exports.

The production for the 1940-41 crop year was 907,564 short tons compared with 1,033,302 short tons in 1939-40 and 851,969 short tons in 1938-39.

Because Puerto Rico is an integral part of the United States, Puerto Rican sugar producers, as compared with shippers from non-United States territories, benefit to the extent of the amount of customs duty which must be paid on foreign sugars on entry into the United States.

### NEEDLEWORK

In the 1939-40 fiscal year the total value of exports of needlework amounted to \$15,458,645 as compared with \$14,581,000 in 1938-39 and \$11,612,000 in 1937-38. The respective percentages of total exports of all commodities in those years were 16.7, 16.8 and 14.1.

The application to Puerto Rican industry of the Fair Labour Standards Act came at the end of the fiscal year. It is alleged that its first effect has been to wipe out the needlework export industry, which is the second in importance in the island. Accordingly the export values for needlework during the present fiscal year are expected to be merely a shadow of those given above.

### OTHER MAIN PRODUCTS

In the 1939-40 fiscal year the value of tobacco exports was \$6,091,801 as compared with \$7,621,006 in 1938-39 and \$8,483,724 in 1937-38. Respective percentages of the total export trade for the island were 6.6, 8.8 and 10.3.

The value of rum exports was \$5,568,476, which was 6 per cent of the total value of all commodity exports.

The export value of all fruit, both fresh and canned, was \$1,484,505, and that of coffee was \$421,910.

### 1941 PROSPECTS

Because of the practical certainty that the United States Government will continue to spend similar amounts in Puerto Rico in 1941, it is fully expected that the high level of prosperity will continue during the current year. The total amount of the payrolls in 1940 for enterprises controlled by United States military and civil agencies was about \$43,500,000. Of this amount it is conservatively estimated that \$19,500,000 was the net gain to Puerto Rico. This clear profit was the windfall which turned what otherwise would have been another depression year into a very prosperous one. It counterbalanced closely Puerto Rico's unfavourable balance of trade for 1940, which amounted to \$20,750,000.

## IRISH INDUSTRY AND TRADE

FROM *The London Economist*

The volume of the census of population of 1936 dealing with occupations, which has now appeared, reveals the shift that has been taking place between primary, secondary and tertiary industries. In the ten years 1926-36, the numbers engaged in agricultural production decreased by 37,355 or 5·8 per cent. The proportion of the total occupied population employed in agriculture fell, for the first time, to less than half, being 49·3 per cent. The numbers engaged in other productive industries increased by 41,493. The increase was mainly in the protected industries, as the numbers employed in brewing, until recently the great export industry, fell by 20 per cent. The number employed in professions increased by 4,962, or 12·8 per cent, and in commerce and finance by 12,940, or 11·3 per cent. The growth of public intervention in Irish life is shown by the increase in the number of civil servants from 39,000 to 46,000. These statistics indicate that, as regards the occupational distribution of population, Eire is following the normal trend.

### RAW MATERIALS

The development of the secondary industries has given rise to several war-time problems. At the annual meeting of the Federation of Irish Manufacturers, it was stated that Irish industries require £23 millions of imported raw materials, some of which have become difficult, if not impossible, to obtain. The members of the Federation were inclined to blame the Government for the shortage of supplies of many imports, but the Minister for Industry and Commerce effectively retorted that manufacturers had been strongly urged to lay in stocks while the shipping situation was still relatively satisfactory. A committee of scientists has been set up to investigate the possibility of using home-produced materials, and an effort is being made to mobilize supplies of industrial plant.

### RATIONING CONSUMERS

The difficulties in relation to supplies are not confined to raw materials. Many consumers' goods are being rationed. Petrol is still short and is being distributed very sparingly; deliveries of household coal are reduced to one quarter of a ton a month; tea is rationed on the basis of two ounces a week for each person; butter is being rationed by retailers; and the amount of tobacco released from bond has been cut down by one-fifth. On top of all these shortages of imports came the threat of a shortage of meat caused by the outbreak of foot-and-mouth disease, but, owing to the energetic action of the Department of Agriculture in dealing with this plague, the supply of meat will probably be maintained.

### TRADE BALANCE

The statistics of external trade in 1940 reveal that imports amounted to £46,799,048, an increase of £3,384,909 over 1939, and exports to £32,972,732, an increase of £6,072,368. The debit balance of £13,826,316 was £2,688,459 lower than in 1939. Estimates of the invisible balance are not yet available, but it is improbable that the credit balance on invisible account is equal to this visible debit balance. The cessation of the income derived from the Sweepstakes, and the reduction of emigrants' remittances and of many dividends payable from abroad, have not been compensated by any equivalent reductions on the debit side of the invisible account.

The monetary circulation in December amounted to £22,825,783, which is the highest ever reached, and represents an increase of £3,532,172 in twelve months. The assets other than British Government securities, held by the Currency Commission, have increased by £800,000, but whether these additional assets include an increase in the gold held is not disclosed.



## INDUSTRIAL ACTIVITY IN INDIA

FROM THE *Times Trade and Engineering*

Partly with the object of safeguarding shipping space, efforts are being made to replace imported rationed foodstuffs by indigenous. The only item in the Indian schedule of rations which is not produced locally is tinned milk, and a plant for the manufacture of this item is expected to be in production shortly. The extension of the cultivation of groundnuts throughout India has been one of the most notable developments in recent years in Indian agriculture, and it is not surprising that experiments are being made with the object of producing for mobile troops a "hard ration" based on groundnuts. Incidentally, in this connection it is pertinent to recall that a few weeks ago the Government of India announced that it would be necessary to restrict the cultivation of this crop in order to avoid low prices from over-production. The canning and bottling industry, which has been assured of substantial orders as soon as the quality of its output has reached a satisfactory standard, is expected to produce a good output of jams, syrups, fruits, and vegetables, and to have good prospects after the war. Samples of its products have been already approved as suitable for the defence services.

A separate department to deal with the growing civil production has been formed under the Director-General of Munitions Production, while plans for expanding the manufacture of weapons and munitions and for enlarging existing and erecting new ordnance factories have been discussed with the members of the Royal Supply Mission. A metal and steel factory has received delivery of a 2,000-ton gun-forging press which, when erected, will be the largest of its type in India.

Orders received recently include steel and road-making machinery for Turkey, jute sacks for Egypt and South Africa, two million yards of hessian for the Middle East, and textiles for Australia, New Zealand, East Africa, Singapore, the Middle East, and Great Britain.

## MODUS VIVENDI BETWEEN CANADA AND VENEZUELA

A *modus vivendi* between Canada and Venezuela was signed at Caracas on March 26, 1941, and came into force on April 9, 1941.

The agreement provides for a continuance of the reciprocal exchange of most-favoured-nation treatment in tariff matters and is to remain in force for a period of one year with the option of renewal, both parties to signify their intention of renewing or terminating it by three months' notice before the end of each year.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### IMPORT LICENSING CHANGES EFFECTIVE APRIL 1, 1941

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, cables that additional restrictions, effective April 1, 1941, under the import licensing system established on December 1, 1939, are expected to reduce imports from all non-sterling countries by £1,250,000 per annum. The Trade Commissioner cables the following lists of commodities affected as being of interest to Canadian exporters. The lists show the percentages of reduction of imports below the

importations of the same goods by the same importer from non-sterling countries during an equal period of the base year ended June 30, 1939.

## ARTICLES REDUCED 100 PER CENT

Sardines in tins; other tinned fish (except salmon and crustaceans); unspecified animal foods; bed ticking; specified piece-goods for manufacturing articles other than apparel; velvets, velvetens, plushes, astrachans, sealette, moquettes for upholstery; braids; piping; tinsel cloth, belting and thread; trimmings and ornaments for hats, shoes and other attire; bifurcated rivets; single-barrelled guns and rifles; cast iron kettles, sauce pans and oval boilers; oil and spirit heating lamps; plaster of paris for surgical and dental purposes; unspecified chinaware, parianware and porcelainware; porous insulating blocks; prepared adhesives, mucilage, liquid glue; belting compounds; unspecified insecticides and disinfectants; sulphate of magnesia; sulphate of soda; electric clocks; watchmen's clocks; dictating machines and records, and transcribing and shaving machines for use therewith; marble and foil paper; transfers, except for pottery; stationery, principally of paper or board, not printed; electric vacuum cleaners (other than of household type valued at less than £4 10s. each); artificial silk yarns; felts for the manufacture of roofing felts; undressed furs.

## ARTICLES REDUCED 75 PER CENT

Galloons, ribbons; pocket watches and cases; unspecified rubber manufactures (except replacement parts of cash registers, motor cars, motor cycles and trucks).

## ARTICLES REDUCED 50 PER CENT

Canned salmon; refined cod liver oil, not compounded, in vessels exceeding one gallon; weed, scrub, and tree killers; complete spectacles and goggles.

## ARTICLES REDUCED 25 PER CENT

Cotton piece-goods (not knitted, lock-stitched, nor containing artificial silk or wool); cotton piece-goods as prescribed by customs by-laws, for manufacturing shirts, waterproofed piece-goods, and other specified articles; cotton piece-goods, as prescribed by by-laws, defined for cutting up into table-cloths, serviettes, window blinds, or handkerchiefs; piece-goods (except those predominantly of silk) having a nap finish, for the manufacture of apparel; alternating current, induction type dynamo-electric machines, up to 150 horsepower (except parts of cash registers); unspecified dynamo-electric machines; induction coils; zinc oxide and chrome colours; camera parts.

## ARTICLES REDUCED 10 PER CENT

Unspecified wire, and woven wire over 120 holes to the inch; adding and computing machines and attachments; circuit breakers or switch units of specified capacities; lightning arresters for power stations; current limiting reactors, voltage regulators; specified relays for power stations; relays of the induction type; specified time switches, regulators and controls; handset telephones as prescribed by by-laws; unspecified telephones and appliances; unrefined fish oil; seal, penguin and mirbane oils; paints, viz.: London purple, Paris green, ceramic colours, artists' colours, and the like; bacteriological products and sera not prescribed by by-laws; liver extracts; last blocks; unattached tool handles (except axe, adze, hammer over 24 inches, mattock and pick); watches (except wristlet and pocket watches), and chronometers; unspecified time registers and detectors; watch and clock movements; photographic negatives; specified photographic papers and plates; mercerized cotton yarns; handbag frames as prescribed by by-laws; timber prescribed by by-laws for manufacturing purposes (other than for boxes and drying trays); specified logs for the distillation of oils; fibreboard of qualities not made in Australia; match splints and blocks, walnut logs, and hardwood veneers as prescribed by by-laws; toothbrush handles as prescribed by by-laws.

Some of the foregoing goods, particularly those subjected to the higher percentages of restriction, were previously restricted to some extent.

## South Africa

## SALES TAX ON MOTOR CARS AND TARIFF CHANGES

With reference to the notice in *Commercial Intelligence Journal* No. 1938 (March 22, 1941), page 364, Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, reports that the new sales tax on motor cars, introduced in the budget on March 12, is 1d. per lb., which the Minister of Finance estimated would work out at an average of about £7 10s. on small cars, £12 10s. on medium cars, and £17 10s. on heavy cars. Motor cycles and trucks are not affected by the tax. The only increases in customs duties, the Trade

Commissioner reports, are those affecting ale, beer, cider, stout, cigarettes and motor spirit.

### Cayman Islands

#### PACKAGE TAX LAW

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports that a law to impose a temporary tax on packages entering the Cayman Islands was assented to by the Governor of Jamaica on December 23, 1940, and became effective on January 1, 1941, for a period of one year from that date. The law provides for a tax of 6 pence on every package imported into the Dependency, with the following exceptions: barbed wire and fencing wire; bananas, plantains and coconuts; cutlasses; iron, copper or brass rods; spades, shovels and forks; and turtle twine, all of which are free; cement in packages not exceeding 100 lb. gross weight, per package, 3 pence; cement in packages exceeding 100 lb. gross weight, per 100 lb., 3 pence; galvanized iron roofing, per dozen sheets, 6 pence; lumber, on every 100 feet or less quantity superficial measurement, 2 pence; paint, for every 112 lb. in weight or part thereof, 6 pence; shingles, on every 1,000 or less quantity, 6 pence; stoves, iron pots and other hollowware not being packed in packages, per cwt., 6 pence.

### Jamaica

#### RENEWAL OF PACKAGE TAX LAW

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, reports that the package tax which has been in force for many years in Jamaica, but subject to extension each year, was renewed as from April 1, 1941, without change. Unless where exception is made for certain articles, the tax is 2s. on every package not exceeding 4 cwt.; or if exceeding 4 cwt., 2s. for the first cwt. and 6d. for every additional cwt. or part thereof.

Commodities not contained in a package are liable to the package tax imposed by the law in the same manner as if they were in a package, except that where commodities are specifically mentioned in the schedule to the law they are liable to the relevant tax set forth in the schedule. The following items are mentioned in the schedule as subject to the specific tax mentioned:—

Barbed wire and fencing wire.....	per cwt.	1s.
Bricks, tiles and slates, roofing material in pieces not exceeding 1 square foot each .....	per 1,000	5s.
Cement in packages not exceeding 100 lb. gross weight.....	per package	3d.
Cement in packages exceeding 100 lb. gross weight.....	per 100 lb.	3d.
Earthenware pipes, bends and elbows.....	per cwt.	2s.
Flour and meal .....	per 98 lb.	6d.
Gasoline in containers of 50 gallons or less.....		1s.
Gasoline in bulk .....	per 50 gal.	1s.
Ironware, pewter, copper, lead, tin and brass of every description...per cwt.		2s.
Lumber, on every 1,000 feet or less quantity, superficial measurement.....		5s.
Paint, for every 112 lb. net weight or part thereof.....		1s.
Rice .....	per 112 lb.	6d.
Shingles of any kind, on every 1,000 or less number.....		2s.
Stoves, iron pots and other hollowware, not being packed in packages .....	per cwt.	2s.
Tiles, slates and roofing material in pieces exceeding 1 square foot...per cwt.		2s.

The following are exempt from package tax: Coal; condensed milk; cutlasses, spades, shovels and forks; fertilizers; fuel oil in bulk; iron unmanufactured; kerosene oil; machinery admitted under item 2 of the fourth schedule to the Tariff Law, comprising various classes for cultivation and preparation of natural products of Jamaica; materials and appliances for the treatment and control of plant diseases; materials for packing and putting up the agricultural produce of the Island for market; railway and tramway materials; salt.



## El Salvador

### LEGALIZATION OF SHIPPING DOCUMENTS

Mr. Lionel Marcotte, Consul for El Salvador in Montreal, draws attention to Decree No. 41 of August 19, 1940, empowering the Consulate at Montreal to legalize all documents covering shipments to El Salvador which originate in a territory under the jurisdiction of that Consulate. This arrangement, he advised, was made by the Government of El Salvador to give further facilities to shippers from Canada. The alternative plan was to have documents legalized in the actual port of shipment.

## Chile

### QUOTA ON WOOLLEN TEXTILES

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, reports that a Chilean decree published March 5, 1941, authorizes a supplementary quota on woollen textiles of 75,000 kilograms which may be imported into Chile during the remainder of the quota year expiring August 11, 1941. This is in addition to the quota of 525,000 kilograms already established for the year ending August 11, 1941.

### IMPORT LICENCES FOR FATS

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that in accordance with a Chilean decree published March 5, 1941, imports of edible fats and fats for industrial use into Chile are to be subject to licence. The Import Licensing Commission will fix the total amount to be imported and, the licences will be granted by the Exchange Control Commission. Preference will be given to applications for licences from direct consumers. The application of this decree is subject to the fulfilment of an agreement regarding the quality and maximum price which Chilean producers of these fats are to conclude with the Chilean Under-Secretariat of Commerce.

### TARIFF ON UNDRESSED FURS

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that a new Chilean tariff classification for undressed fine furs was established by a decree published March 1, 1941. Previously all fine furs, not dressed, were dutiable at 0.90 gold peso per kilo (7¼ cents per pound) irrespective of kind. Under the new decree the following classifications are established: rabbit, goat, angora goat, hare and ordinary lamb, 7 gold pesos per kilo (60 cents per pound); marmot, otter, petchanick, caracal, imitation caracal, opossum, skunk, astrakhan, colt, muskrat, lamb (sheared lamb imitating the still-born astrakhan), mole, racoon, Siberian squirrel, lynx, land wolf and fox (except blue and silver fox), 20 gold pesos per kilo (\$1.60 per pound); mink, kolinsky, ermine, chin-chilla, sable and other marten, breitschwanz (still-born Persian astrakhan) and sea-wolf (two or three hair), 60 gold pesos per kilo (\$4.80 per pound); silver or blue fox or mixtures of these, 100 gold pesos (\$17.75) each. In addition to these duties there is a surtax of 5 per cent ad valorem and a statistical tax of 3½ per cent ad valorem.

## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Cuba, Haiti, Dominican Republic, Puerto Rico and United States Virgin Islands

#### C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, April 3, 1941.—There are no official exchange restrictions of any kind in force at present in the five countries named above which might affect the collection of bills drawn on importers therein by persons abroad, and the former can obtain foreign exchange requirements freely for shipments from Canada.

## Ecuador

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, April 4, 1941.—Exchange control was re-introduced in Ecuador on June 4, 1940; on October 16, 1940, a decree was issued containing the regulations covering not only exchange control but also import control. These measures resulted from disturbed economic conditions attributable in part to the partial loss of the European market for Ecuadorian products.

The present rates of exchange are Ecuadorian sucres 15 to the United States dollar, and 60·60 sucres to the pound sterling. There is a current shortage of exchange, and the delay in payments for imports is from 10 to 15 days.

Imports are subject to permits, which are granted to importers on a quota basis relative to their capital and to their previous volume of imports. A certain control is maintained with regard to the import of luxury goods and goods which compete with nationally manufactured articles. However, in view of the fact that there is an unfavourable balance of trade of more than 30 per cent, from an Ecuadorian point of view, in that country's trade with Canada, dutiable imports from Canada are assessed a surcharge of 50 per cent of the duties. This action was instituted by the Ecuadorian authorities in 1936 against all countries whose balances of trade were as indicated above. On the other hand, imports from countries that have signed trade treaties with Ecuador, which include the United States, are granted a preference of 30 per cent of the duties on items subject to preferential tariff treatment.

Importers are now required to apply for exchange before placing orders abroad. When such exchange is granted, the Central Bank puts it aside to the order of the importer, so that it is available for payment against shipping documents. On the other hand, importers can open letters of credit. The customs and parcel post offices will not deliver imported goods unless proof is furnished to the effect that the covering exchange has been obtained through the Central Bank. Goods that have been sold on a time draft basis will be delivered only on certification that the importer has accepted the draft.

As a precautionary measure Canadian exporters should not ship unless the importer has supplied them with a duplicate copy of the Registered Petition for Goods ("Solicitud de Registro de Pedidos").

Since letters of credit can be opened through the Central Bank and the Exchange Control sets exchange aside for approved orders, sales on a sight draft basis, or even short term credits, can be made to reliable importers. Should an importer refuse to pay a draft for which exchange has been set aside, he is not to be granted further exchange facilities; in other words he will be unable to obtain further imports.

Generally speaking permits for new imports are granted in the following order:—

1. Those which are deemed to be of an indispensable nature for the Government or municipalities.

2. Those deemed to be of an indispensable nature and required by enterprises that are public services or utilities.

3. Articles indispensable to public consumption and which are private imports.

4. Imports by industries preferably using national raw materials and those required for agricultural purposes.

5. Articles of a necessary nature that are not produced in the country.

6. Imports for other industries.

7. Articles of a necessary nature whose production in the country is insufficient to supply the demand.

8. Other articles.

The Control Commissions are empowered to refuse or defer import permits, either in whole or in part, in the following cases:—

1. When the goods may not be of absolute necessity for consumption in the country.
2. When dealing with articles similar to ones being produced in the country and which may satisfy the requirements of the country through their quality, quantity and price.
3. When goods originate in countries with which Ecuador has an unfavourable balance of trade.
4. When it is proven that the importers have sufficient stocks of the goods to be imported in relation to national consumption, stocks within the country or to arrive by virtue of despatches dealt with by the Control.
5. When the Council of Administration of the Central Bank reduces the trimestrial quota of available exchange with relation to that formerly fixed and in consequence restricts the individual quotas; a reduction which "in no case will affect the normal volume of importations of articles necessary for public consumption but that of luxury articles."

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 15, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, April 15, 1941, and for the week ending Monday, April 7, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 7	Nominal Quotations in Montreal Week ending April 15	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2644	.2645	3½
Switzerland . . . . .	Franc	.1930	.2576	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2278	.2281	3
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2570	.2581	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4409	.4433	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0586	.0583	—
Hongkong . . . . .	Dollar	.....	.2719	.2716	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A review of the salient features of Canada's export and import trade and a summary of the activities of each of its Branches, including the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Service; Electricity and Gas Inspection Services; Publicity; Government Motion Picture Bureau; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services with statistics of revenue and expenditure, as also statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with Universities, Experimental Farms and other Government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**Catalogue of Motion Pictures.**—List of all films available in the Government Motion Picture Bureau, with title and brief description. It is in loose leaf form, in order that revision may be made from year to year. (Price 25 cents.)

**List of Grain Elevators.**—Details of all Grain Elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving Invoice Requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

**Miscellaneous Statistics** respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; Institutions: hospitals, crime.

Canada, 1940. (Price 25 cents.)

**Canada Year Book.** (Price \$1.50.)

**Trade (External), (Imports and Exports)—Annual Report, Calendar Year** (Part I: Analyses; Part II, Exports; Part III, Imports; Price, \$2.00 each Part.)

**Trade (Internal), Prices, cost of living, capital movements, etc.** (Price 50 cents.)

**Monthly Review of Business Statistics.** (Price \$1 per annum.)

**News Bulletin, Daily** (Price \$1.50 per annum), **Weekly** (Price \$1.00 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barelay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, and Turkey.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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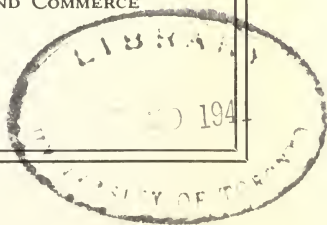


Pre-war Scene in Dublin Harbour, with Ship from Canada being unloaded

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGESS, DEPUTY MINISTER



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# COMMERCIAL INTELLIGENCE JOURNAL

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## EXPORT PERMIT BRANCH TO BE ESTABLISHED IN DEPARTMENT OF TRADE AND COMMERCE

### WILL CENTRALIZE ISSUE OF EXPORT PERMITS

In order to centralize control of the issuance of export permits an Export Permit Branch is being established in the Department of Trade and Commerce under authority of an Order in Council effective May 5. The Order provides that the Minister of Trade and Commerce may issue regulations governing the granting of permits. Consolidated and revised export permit regulations will be issued before the new branch assumes its duties on May 5. These regulations will be published in the next issue of the *Commercial Intelligence Journal*.

Exports of arms, ammunition and implements of war from Canada have been prohibited since 1937, except under an export permit issued by the Minister of National Revenue. Since the outbreak of war numerous orders in council have been passed prohibiting the export of certain products to all destinations and of all products to certain destinations, except under permit issued by the Minister of National Revenue; and many other products have also been placed on the prohibited list for export unless accompanied by an export permit issued by certain specified boards, administrators or controllers. Approval by the latter of export applications has been mainly for the purpose of assuring that adequate supplies of the products in question are available for Canadian or United Kingdom requirements.

This multiplicity of governmental agencies issuing export permits has been confusing to exporters and has also made it difficult to co-ordinate policies and information relating to the export of goods to destinations from which they may eventually reach territory under enemy occupation or control. It has been accordingly decided to centralize the issuance of export permits, for all products for which they are required, in an Export Permit Branch in the Department of Trade and Commerce, which possesses special facilities for information on external trade. This branch will consult with the various boards, administrators or controllers who have been established, in order to ensure that no commodity required for home consumption or United Kingdom purposes is allowed to leave Canada for other destinations.

Exporters, transportation companies and all persons interested in export shipments are urged to make themselves familiar with the revised export permit regulations. This will be facilitated by the consolidation of the regulations. These will be made available through Chambers of Commerce, Boards of Trade, the Canadian Manufacturers' Association and Customs' officers, as well as being obtainable direct from the Export Permit Branch, Department of Trade and Commerce, Ottawa.

### LIST OF ARTICLES FOR WHICH EXPORT PERMIT REQUIRED

Following is a schedule of articles, consolidated from previous lists and to which some new items have been added, for which a permit to export is required—



## SCHEDULE I

### GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

(Except Chemicals, Fibres and Woods)

#### Food only—

Coconut oil, edible.  
Copra.  
Palm kernel oil, edible.  
Sugar.

#### Other than Food—

Coconut oil, inedible.  
Rubber, crude, all forms and types, reclaimed and scrap.  
Seed, fibre flax.  
Lac.  
Palm kernel oil, inedible.  
Palm kernels.  
Pine oil.

### GROUP 2—ANIMALS AND ANIMAL PRODUCTS

(Except Chemicals and Fibres)

Calves stomachs.  
Cheese.  
Cod livers (see also oil).  
Hides.  
Leather.  
Livers, fish (see also oil).  
Lobsters, canned.  
Milk products, concentrated.  
Oil, cod liver, other fish liver, fish and visceral.  
Pigeons, live.  
Rennet.  
Skins (fur skins excepted).

### GROUP 3—FIBRES, TEXTILES AND TEXTILE PRODUCTS

Cloth containing flax, except when manufactured into wearing apparel or household goods.  
Jute.  
Flax and flax fibre.  
Linters, cotton.  
Manila fibre.  
Wool (including wool on the skin), tops, yarn, rags and waste.  
Silk, raw and waste.

### GROUP 4—WOOD, WOOD PRODUCTS AND PAPER

Douglas fir saw logs.

### GROUP 5—IRON AND ITS PRODUCTS

#### Iron and steel—

Iron ore and concentrates.  
Pig iron.  
Ferro-alloys (See Group 6).  
Scrap iron or steel of all kinds.  
Ingots.  
Castings and forgings.  
Rolling-mill products:  
Band.  
Bars, including rails.  
Hoop.  
Piling.  
Plates, coated or not.  
Rods.  
Sheets, coated or not.  
Steels, alloy (including stainless).  
Strip.  
All other rolling-mill products.

Bolts, nuts and screws.  
Chains.  
Fence posts.  
Nails and staples.  
Pipes and tubes of all kinds.  
Railway rolling stock, railway equipment and parts, complete or unassembled.  
Structural iron or steel, fabricated.  
Wire, coated or not, plain or stranded, including wire rope or wire fencing.  
Welding rods and welding wire.  
Storage tanks.  
Equipment for the production of tetraethyl lead, aviation gasoline and aviation lubricating oil.  
Petroleum and gas-well equipment and parts, including oil well-drilling machinery and parts.  
Petroleum refining machinery, equipment and parts.  
Metal drums and similar containers, unfilled, new or used.

**Machine tools and allied products—**

All metal-working tools and machinery including:

Drilling and boring machines (horizontal and vertical).  
Grinding machines.  
Lathes.  
Milling machines.  
Planers.  
Presses (both hydraulic and mechanical).  
Reamers.  
Shapers and slotters.  
Bits and drills of all descriptions.  
Broaching machines.  
Die machines.  
Dies.  
Draw benches.  
Engraving machines.  
Forging machines.  
Gauges.  
Gear cutters.  
Hobs.  
Honing machines.  
Jigs.  
Jig-boring machines.  
Lapping machines.  
Milling cutters.  
Machine-tool fixtures.  
Taps.  
Thread millers.  
Stamping machines.  
Hydraulic pumps.  
Plastic moulding machines and presses.  
Measuring machines.  
Testing machines.  
Balancing machines.  
Tools incorporating industrial diamonds.  
All used or rebuilt machine tools of any description.

**GROUP 6—NON-FERROUS METALS AND THEIR PRODUCTS**

(Except Pharmaceutical Preparations)

Aluminium—Aluminium ores and concentrates, refined metal and alloys semi-fabricated and fabricated, compounds and scrap.  
Antimony—Antimony ores and concentrates, metal and alloys semi-fabricated, compounds and scrap.  
Beryllium—Beryllium ores and concentrates (except gem varieties), metal, alloys, compounds and scrap.  
Brass—(See Copper).  
Bronze—(See Copper).  
Cadmium—Cadmium residues, metal and alloys, compounds and scrap.  
Carbide—(See Tungsten).  
Cerium—Cerium metal, alloys and compounds.  
Chromium—Chromium ores and concentrates, metal and alloys (including ferro-chrome), \*and compounds.  
Chromite refractories—Containing chromium in excess of 10 per cent in semi-fabricated or fabricated form.

- Cobalt—Cobalt ores and concentrates, residues, metal and alloys (including stellite) and compounds.
- Copper—Copper ores and concentrates, matte, blister, refined metal and alloys (including brass and bronze) semi-fabricated, compounds and scrap.
- Lead—Lead ores and concentrates, refined metal and alloys (including babbitt and type metal) semi-fabricated, compounds and scrap.
- Molybdenum—Molybdenum ores and concentrates, metal and alloys (including ferro-molybdenum) and compounds.
- Magnesium—Magnesium ores and concentrates, metal and alloys semi-fabricated and fabricated, compounds and scrap.
- Manganese—Manganese ores, concentrates, metal and alloys (including ferro-manganese, spiegeleisen, silica spiegel and silica manganese) and compounds.
- Mercury—Mercury ores and concentrates, metallic mercury and compounds.
- Nickel—Nickel ores and concentrates, matte, metal and alloys (including Monel metal) semi-fabricated, compounds and scrap.
- Platinum Metals Group—Concentrates and residues, metals, alloys, scrap and manufactures.
- Radium and Uranium—Radium and uranium ores and concentrates, metal, salts and compounds.
- Silicon—Silicon metal and alloys (including ferro-silicon).
- Selenium and Tellurium—Selenium and tellurium residues, metal and compounds.
- Spiegeleisen—(See Manganese).
- Strontium—(See Group 8).
- Tellurium—(See Selenium).
- Tin—Tin, metal and alloys semi-fabricated and fabricated, compounds and scrap; tinplate scrap.
- Titanium—Titanium ores and concentrates, metal, alloys (including ferro-titanium) and compounds.
- Tungsten—Tungsten ores and concentrates, metal and alloys (including ferro-tungsten and tungsten (including ferro-vanadium) and compounds).
- Uranium—(See Radium).
- Vanadium—Vanadium ores and concentrates, metal, alloys (including ferro-vanadium) and compounds.
- Zinc—Zinc ores and concentrates, metal and alloys semi-fabricated, compounds, dust, scrap, dross and ashes.
- Scrap—All other metal scrap.

## GROUP 7—NON-METALLIC MINERALS AND THEIR PRODUCTS

(Except Chemicals)

- Abrasives—Abrasive wheels of emery, corundum and garnet; artificial abrasives, crude and in grains; grindstones of natural and of artificial abrasives; sand paper and other abrasive paper and cloth; other natural and artificial abrasives; hones and whetstones.
- Asbestos—Asbestos in primary forms, refuse, sand and waste; asbestos brake lining, clutch facings, gaskets, packing and all other manufactures.
- Chromite refractories—(See Group 6).
- Diamond, industrial.
- Gas, Helium.
- Glass—Non-shatterable or bullet proof; optical glass, but not including spectacles or ordinary reading glasses.
- Graphite—Amorphous and flake, crucibles, retorts and stoppers; graphite electrodes.
- Mica—Mica blocks, sheets and splittings, scrap and waste, and manufactures.
- Phosphorus—Phosphorus, ferro-phosphorus and compounds.
- Petroleum coke.
- Pyrites, iron.
- Petroleum products—
- (a) Aviation motor fuel, i.e., high octane gasolines, hydrocarbons and hydrocarbon mixtures (including crude oils) boiling between 75 degrees and 350 degrees F. which, with the addition of tetraethyl lead up to a total content of 3 c.c. per gallon, will exceed 87 octane number by the A.S.T.M. Knock Test Method; or any material from which by commercial distillation there can be separated more than 3 per cent of such gasoline, hydrocarbons or hydrocarbon mixtures.
  - (b) Aviation lubricating oil, i.e. any lubricating oil of 95 or more seconds Saybolt Universal Viscosity at 210 degrees F., with a viscosity index of 85 or more.
- Quartz crystals—Piezelectric and optical.
- Magnesia refractories—Magnesia, including crude or calcined rock, excepting dolomite, containing magnesia in excess of 20 per cent in semi-fabricated or fabricated form.



**GROUP 8—CHEMICAL AND ALLIED PRODUCTS**

(See also Group 10)

Acetic Acid.  
 Acetone.  
 Activated carbon.  
 Ammonia and ammonium compounds.  
 Aniline.  
 Atropine.  
 Barium chemicals.  
 Belladonna.  
 Borax.  
 Bromine.  
 Butyl alcohol.  
 Calcium silicide.  
 Carbon black.  
 Chlorine.  
 Cresylic acid and cresols.  
 Dimethylaniline.  
 Diphenylamine.  
 Ethyl alcohol.  
 Ethylene and ethylene dibromide.  
 Fatty acids produced from vegetable oils under export control.  
 Fertilizers of every kind and analysis, except calcium cyanimide.  
 Formic acid.  
 Glycerine.  
 Methyl alcohol.  
 Methylamine.  
 Nitrates.  
 Nitric acid.  
 Nitrocellulose, having nitrogen content of less than 12 per cent.  
 Pine oil (See Group 1).  
 Plastics, optically clear.  
 Potash, potassium salts and compounds.  
 Quinine, quinine barks, cinchona or other barks from which quinine may be extracted, and quinine sulphate.  
 Soda lime.  
 Sodium acetate, anhydrous.  
 Strontium chemicals.  
 Sulphuric acid, fuming.  
 Tetraethyl lead, pure tetraethyl lead, ethyl fluid or any mixture containing more than 3 c. c. of tetraethyl lead per gallon.  
 Toluol and light oil resulting from the distillation of coal tar.

**GROUP 9—MISCELLANEOUS**

(See also Group 10)

Aerial cameras and other types of military equipment containing optical elements.  
 Aircraft pilot trainers.  
 Fire-control instruments.  
 Optical elements for fire-control instruments and aircraft.  
 Plans, specifications and other documents in design or construction of aircraft or aircraft engines.  
 Searchlights, military.

**GROUP 10—ARMS, AMMUNITION, IMPLEMENTS OR MUNITIONS OF WAR:  
MILITARY, NAVAL OR AIR STORES***Annex to Order in Council P.C. 1838**Category I*

- (1) Rifles and carbines using ammunition in excess of calibre .22, and barrels for those weapons.
- (2) Machine guns, automatic or auto-loading rifles, and machine pistols using ammunition in excess of calibre .22, and barrels for those weapons.
- (3) Guns, howitzers, and mortars of all calibres, their mountings and barrels.
- (4) Ammunitions in excess of calibre .22 for the arms enumerated under (1) and (2) above, and cartridge cases or bullets for such ammunition; filled and unfilled projectiles for the arms enumerated under (3) above.
- (5) Grenades, bombs, torpedoes, mines and depth charges, filled or unfilled, and apparatus for their use or discharge.
- (6) Tanks, military armoured vehicles, and armoured trains.

*Category II*

- (1) Vessels of war of all kinds, including aircraft carriers and submarines, and periscopes for submarines.

*Category III*

- (1) Aircraft, unassembled, assembled, or dismantled, both heavier and lighter than air, which by reason of their design or construction are adapted or intended either for military or naval reconnaissance, or for aerial combat by the use of machine guns or artillery, or for the carrying and dropping of bombs, or which are equipped with or prepared for any of the arms or appliances referred to in paragraph (2) below.
- (2) Aerial gun mounts and frames, bomb racks, torpedo carriers, and bomb or torpedo release mechanisms.

*Category IV*

- (1) Revolvers and automatic pistols using ammunition in excess of calibre .22.
- (2) Ammunition in excess of calibre .22 for the arms enumerated under (1) above, and cartridge cases or bullets for such ammunition.

*Category V*

- (1) Aircraft, unassembled, assembled or dismantled, both heavier and lighter than air, other than those included in Category III.
- (2) Propellers or air screws and blades therefor, fuselages, hulls, wings, tail units, undercarriage units, and wheels for aircraft.
- (3) Aircraft engines, unassembled, assembled or dismantled.

*Category VI*

- (1) Livens projectors and flame-throwers.
- (2) (a) Mustard gas (dichlorethyl sulphide).  
(b) Lewisite (chlorvinylchlorarsine and dichlorovinylchlorarsine).  
(c) Methylchlorarsine.  
(d) Diphenylchlorarsine.  
(e) Diphenylcyanarsine.  
(f) Diphenylaminechlorarsine.  
(g) Phenylchlorarsine.  
(h) Ethylchlorarsine.  
(i) Phenylbromarsine.  
(j) Ethylbromarsine.  
(k) Phosgene.  
(l) Monochloromethylchlorformate.  
(m) Trichloromethylchlorformate (diphosgene).  
(n) Dichlorodimethyl ether.  
(o) Dibromodimethyl ether.  
(p) Cyanogen chloride.  
(q) Ethylbromacetate.  
(r) Ethyliodoacetate.  
(s) Brombenzylcyanide.  
(t) Bromacetone.  
(u) Brommethylethyl ketone.  
(v) Chlorpicrin (nitrotrichloromethane).

*Category VII*

- (1) Propellant powders.
- (2) High explosives as follows:
  - (a) Nitrocellulose having a nitrogen content of more than 12 per cent.
  - (b) Trinitrotoluene.
  - (c) Trinitroxyline.
  - (d) Tetryl (trinitrophenol methyl nitramine or tetranitro methylanilin).
  - (e) Picric acid.
  - (f) Ammonium picrate.
  - (g) Trinitroanisol.
  - (h) Trinitronaphthalene.
  - (i) Tetranitronaphthalene.
  - (j) Hexanitrodiphenylamine.
  - (k) Pentaerythritetetranitrate (penthrate or pentrite).
  - (l) Trimethylenetrinitramine (hexogen or T4).
  - (m) Potassium nitrate powders (black saltpetre powder).
  - (n) Sodium nitrate powders (black soda powder).
  - (o) Amatol (mixture of ammonium nitrate and trinitrotoluene).
  - (p) Ammonal (mixture of ammonium nitrate, trinitrotoluene, and powdered aluminium, with or without other ingredients).

## IMPORT TRADE OF SCOTLAND IN 1940

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, March 6, 1941.—Due to wartime conditions, detailed trade statistics and related information are unavailable regarding the numerous products which Scotland imports in substantial proportions from Canada. Imports of a number of these products have now been cut off, or virtually cut off, on account of the necessity of conserving shipping space and dollar exchange for the purchase of vital commodities required for the armed forces or to feed the population of Great Britain.

### WHEAT AND FLOUR

Purchases of all cereals included in the grain trade between Canada and Great Britain have, of course, been controlled since the outbreak of war. Scottish millers have been favourably impressed with the qualities of the top grades of Manitoba wheat imported since the war, and consumers have been fortunate in being assured of a high-grade flour for bread-making. As is well known, Manitoba wheat has always been much used in the United Kingdom, particularly in Scotland, the percentage used in the grist by some mills being very high. There will be no reduction in the use of Canadian spring wheats so far as Scotland is concerned, as long as the wheat is graded up to the present high standard.

The Scottish Co-operative Wholesale Society, Limited, which produces more flour than any other milling concern, normally used about 70 per cent of Canadian wheats in its mixture. During 1940 this high percentage was fully maintained, and the number of bushels ground exceeded 4,000,000.

Liberal supplies of spring wheat flour have reached this country, and its quality is giving great satisfaction. Purchases of Manitoba wheat by the Food Control have been almost entirely for the large mills, because the grading can be depended upon for uniformity.

There has developed a considerable business in Ontario winter wheat flour. As there are no supplies of United States winters available, buyers of this type of flour are ready purchasers of Ontario winters, for which there is a demand for additional quantities. However, the price of the Ontario flour is out of line with that of spring wheat flour, a late quotation for the latter being 25s. at sea-board as compared with 27s. 6d. for the former. It is not likely that a premium on Ontario winters will be readily obtainable, quotations being, in fact, normally about 2s. 6d. less than for Manitobas. One of the most important firms in this trade states that Scotland could easily take four or five times the quantity now being shipped, as Scottish bakers find Ontario winters very suitable for biscuits and smallbread. They are especially suitable for home baking, but at such a premium spring wheat flour may largely be made to fill the bill.

This firm is highly critical of the millers of Ontario winters, and, as its views may be considered of a constructive character, they are summarized as follows: "Unfortunately, this business (export of winter wheat flour) has never been well organized in Ontario, and it is a pity that the millers will not take it up more seriously, as it might easily be made a permanent asset in the Canadian trade. Its steady delivery all through the past year ought to put the best-known brands permanently on the market, and they would then only have to keep them going. Unfortunately, the Ontario winter millers are very casual and spasmodic in their selling and marketing of this flour. Rather than take the trouble of making good connections and acquainting themselves with the Cereal Imports Board's method of buying, they often sell through agents



who buy from any small miller, and the level of the flour supplied is the level of the lowest quality the agent can get, and any good miller's flour suffers in reputation."

#### LOCAL DISTRIBUTION

Incoming steamers to Glasgow from Canada often carry three or four times the pre-war quantities of flour, and sometimes entire cargoes of this commodity. This flour is then distributed throughout Scotland and stored at many points. All the counties and the Western Islands have their shares of stocks. Ships have to be cleared quickly, so that they can be turned round and got away without loss of time. This makes necessary Saturday and Sunday and all-night working at the quays. There are many difficulties such as the handling of prize cargoes, damaged cargoes, cargoes intended for one port and diverted to another, salving of wet cargoes, etc. Storage is a problem at times, but even this difficulty with regard to distribution has been almost solved. Wages have risen considerably at the docks, which adds to the difficulties of the grain and flour trades, which, as members of the Port Area Grain Committees, have to manage the business, provide the staff and pay them.

#### NO APPARENT INCREASE IN BREAD CONSUMPTION

Despite high prices for fruit, vegetables and meat, the consumption of bread has not increased to any great extent. Since little or no fruit and only small quantities of cheese are available and meat is rationed, the workman who carries his lunch cannot consume the usual amount of bread, as he cannot use butter or margarine freely.

#### BARLEY

This commodity will form the subject of a separate report to be submitted for publication at a later date.

#### BACON AND HAMS

Scotland's purchases of Canadian bacon and hams in 1940 have been almost entirely satisfactory. Since Canada is now practically the only country supplying the British market, comparisons with the produce of other countries is impossible. However, Canadian exporters must be prepared to meet strong competition in this market after the war, and a reputation built up now for even better quality and improvement in weights will be necessary in order to maintain and strengthen their position.

It is probably not generally known in Canada that until fairly recent years Scotland was only a small consumer of bacon as compared with ham. Bacon gradually became more popular, but at the beginning of the war the consumption was probably 75 per cent ham to 25 per cent bacon. Due to conditions affecting supply, that position is now reversed, but it remains to be seen what it will be after the war. Glasgow purchasers in particular will not readily give up their preference for very lean meat, and it is probable that Irish hams will come into their own again.

The principal features of this trade during 1940 are as follows:—

1. The past year has been one of government control and rationing.
2. Since the collapse of Denmark and the Netherlands, the British public has been dependent on imports from Canada, Northern Ireland and Eire, and these, in addition to domestic supplies and home-cured New Zealand and Australian bacon, have met the demand.
3. The scheme for distribution is proving very successful. Generally speaking the public is being well supplied by the trade, and the quality has been of such a high standard that complaints have been few.

4. The Ministry of Food is the sole importer of all supplies, which are disposed of through B.I.N.D.A.L. (Bacon Importers National Defence Association Limited). "Bindal", as the name implies, represents all importers, who hold shares in proportion to their imports during the three years prior to the war. Allocations are made weekly by Bindal, and thence through the usual trade channels until the finished product reaches the housewife or catering establishment.

#### CHEESE

The Ministry of Food is, of course, the bulk buyer and sole importer of cheese, and Canadian cheese is more popular in Scotland than ever before. The quality in general was up to the usual high standard, and the only lots which caused any complaint were shipments which had undergone rough handling, either during the voyage or after arriving on this side.

The scarcity of cheese has occasioned considerable concern to the Ministry of Food. The shortage has been caused by the slowing up of shipping, by the increased demand in order to supply extra troops in the country, to whom cheese is liberally rationed, and by the scarcity of milk following the outbreak of war. In addition consumption of cheese increased because of the fact that butcher meat was rationed and the supply of tinned meats was curtailed.

#### EGGS

Until the beginning of June, 1940, the importation of eggs was more or less freely permitted, but since that time the Ministry of Food has been the sole importer. Some shipments of Canadian eggs were made to Scotland during the spring and, as most of these arrived just after the invasion of the Scandinavian countries, they met with a ready sale. These were fresh eggs in first-class condition.

From June onward there were fairly heavy arrivals of fresh eggs, grades A and B, which were cold-stored by the Ministry. Some of the Ontario eggs were unsatisfactory to the trade. There is a difference of opinion as to whether this was due to the lower standard of quality or to poor storage conditions following their arrival, but one important firm attributes it to poor grading and also to the type of pack used, viz. "Keyes trays", which in their opinion are not suitable for cold storing. Most of the Western Canadian eggs, packed in "Mapes flats", turned out very well.

There were odd shipments from Canada during the fall and winter seasons, including one large consignment of British Columbia "processed" eggs. These were probably the best received during the year. The arrivals of storage eggs were also in good condition, and no complaints were received.

In view of the shortage of domestic eggs and supplies from Eire, the report that Canada is shipping some fresh eggs again early this spring has been favourably received by the trade.

#### HONEY

All shippers in Canada are, of course, aware that honey is controlled both as regards quantities imported and price. During the past season, importations have been permitted under licence only, the quantities allotted being based on the imports during the period September 1, 1938, to August 31, 1939, and Canadian honey had to be offered first to buyers who had purchased during that period.

The maximum price for Canadian honey was 65s. per cwt. (112 lbs.) c.i.f., but it is understood that there were transactions at lower prices—60s. to 62s. 6d. being reported.

While distribution proceeded smoothly, there have been complaints from manufacturing chemists, etc. who have in the past been in the habit of handling



foreign honeys, the importation of which has, of course, ceased altogether. There are indications that even stricter control is likely to be enforced during the coming season and that distribution of supplies of Empire honeys will be spread out to include former users of foreign honeys, whose supplies have now been cut off.

The quality of the Canadian honey received during the past season has in general been up to standard, although in one or two instances there were evidences of a higher moisture content than usual.

The crop generally was short but, in view of the restricted importations, there was sufficient honey available to meet united Kingdom requirements.

#### CANNED SALMON

The demand for canned salmon, owing to the shortage of fresh and canned meats and the high prices of fresh fish, is greater than the supply. Indeed, there have been heavy purchases of canned salmon, and it is doubtful if much, if any, of the 1940 pack remains in the shops, despite the recommendation of importers that retailers spread out these stocks until the arrival of the 1941 pack. It is possible that some pinks will be handled in the coming season, and a trial shipment of chums has been bought by one of the leading firms, a grade never before handled by them and seldom on sale in Scotland, where sockeye is the only really popular brand.

The principal Scottish importers of Canadian canned salmon strongly protested, without avail, against the inclusion of Canadian sockeye with Japanese, Siberian and Alaskan reds when prices were fixed by the Canned Salmon (Provisional Maximum Prices) (No. 2) Order for wholesale and retail distribution. They considered that the superior quality of the Canadian product justified higher prices than those applying to the other grades.

Canadian salmon is still regarded as being superior to any other pack. During 1940, imports have been permitted under licence, but the trade has been unable to meet the heavy demand. It is probable that canned fish will be more closely controlled than formerly, perhaps by the Ministry of Food exclusively. In comparison with salmon from other sources of supply, Canadian salmon is increasing in favour.

#### CANNED FRUITS AND VEGETABLES

It is almost a year since the Ministry of Food prohibited the importation of further quantities of canned fruits and vegetables, excepting certain purchases under contract which had been made and for which shipment could not be effected in time. It is reported that until recently there has been no shortage except of certain items and sizes.

Supplies of tomatoes and tomato products have been short but, as large quantities of soups were imported just prior to the prohibition, the shortage of tomatoes has not been severely felt until recently.

The Ministry of Food has intimated that Canadian tomatoes and tomato puree, as well as apples, will be imported, and the trade is awaiting the distribution of these supplies, of which there is a shortage.

Stocks of Australian and South African canned fruits, as well as Singapore pineapples, are available but have not yet been distributed by the Ministry, which would confirm the statement that stocks are still in the hands of retailers.

A great fillip has been given to home production of berries, plums and vegetables, especially the last-named, of which production adequately meets the demand of consumers.

The West of Scotland is regarded as one of the largest consuming areas for canned apples in Britain. In 1938 the imports of canned apples into Scotland amounted to over 126,000 cases, of which nearly 42,000 were of Canadian



origin, a high figure considering the production resources of the United States, the only competitor in the market. The Canadian pack for many years has been on the whole of good quality, although in many cases the grading could be improved.

Most of the Canadian pears imported into Scotland are apparently Bartlett's, which have established a name for themselves. Great care, therefore, should be observed in making shipments of Keiffers, which should be more carefully graded.

Canadian peaches are most highly regarded for their flavour, but their appearance, although due to the nature of the fruit, is a handicap to sales.

### AGRICULTURAL TOOLS AND IMPLEMENTS

Conditions in this trade became increasingly difficult as the year 1940 advanced, owing largely to the greatly increased demand for implements of all kinds as a result of increased cultivation encouraged by the Government. So many large areas were put under the plough that the necessary additional implements were required immediately. As a result, the stocks in the hands of most manufacturers were soon disposed of, and an effort had to be made to replace them in time for the various seasons. This was difficult to accomplish because of the many restrictions rendered necessary by the demands of government departments for the defence program. The labour problem also became more serious for the same reason and also because of the withdrawal of large numbers of men for service in the various forces.

The labour question brought about a greatly increased demand for tractors of all kinds, and an exceedingly large number from Canada and the United States could have been sold had importation been possible. The limited number permitted entry were placed immediately on arrival.

The usual spring deliveries from Canada of harvesting tools such as rakes, hoes, hay forks, etc. were not forthcoming, although a consignment of felling axes arrived in May. At present the importation of these items is prohibited. It is reported that deliveries of British makes of agricultural tools are slow and that prices are high.

### RUBBER FOOTWEAR

Imports of rubber footwear into Scotland were so severely restricted during 1940 that little information can be given with respect to this trade. When war broke out, imports were immediately prohibited. This resulted in hardship to Canadian manufacturers, since all had large stocks of goods made to customers' orders for delivery from September to December, 1939. Permission was later given to bring in most of these goods, but not all, and they arrived early in 1940. Some were made under customers' brands and could not be otherwise disposed of. Other lines, not suitable for the Canadian market, had to be held for several months at the factories, and some are reported to be still there.

Canadian rubber footwear has been sold in Scotland for many years. Canadian makers, with years of experience behind them, introduced new styles which greatly increased the use of rubber footwear, and they created a market for their goods in which United Kingdom manufacturers have since shared.

### LEATHER

Sole and upper leathers are being used in large quantities for government purposes, all under the Leather Control, and production is on a large scale. There is, of course, a considerable amount left over for ordinary civilian trade,

but for leather suitable for army, navy and air force boots and shoes the Government has first call and is taking the bulk of the supplies.

No importations of Canadian leather were permitted in 1940, due to the fact that dollars were required for payment for more important and necessary commodities. It is understood that a certain limited volume of imports is to be allowed, but detailed information is not available.

The boot and shoe trade is in great need of supplies of patent leather but, owing to imports from Canada and the United States being completely cut off, they have had to eliminate patent leather from their lines of shoes. As soon as Canadian imports are allowed, it is probable that there will be a heavy demand from British shoe manufacturers for Canadian patent leather.

### BROOM AND TOOL HANDLES

There was a heavy demand for broom and shovel handles when the open general licence (that is, licences were not required) was in force. Some orders were despatched from Canada, but many more were held up through the lack of shipping space, raw material, enterprise, and latterly through lack of import licences. The Ministry of Supply maintains that there are ample stocks of home-grown softwoods in Britain from which handles can be manufactured and that accordingly imports, which would use up valuable ships' space and dollar exchange, cannot be permitted. On the other hand the experience of wholesale merchants and factors appears to be that they have great difficulty in obtaining supplies from British manufacturers, who lack the equipment and timber to turn out these articles in large enough quantities to meet the demand.

### BUILDING BOARDS

During 1940 the demand for Canadian insulating board and hardboard was very heavy. Insulating boards are used for the insulation of army huts, hospitals, etc. and for lining canteens, air-raid shelters, and posts for aircraft spotters and look-outs. They are also used largely for insulation and prevention of condensation in factories of all kinds making guns, tanks and munitions. Hardboards are being used extensively for black-out purposes and for preventing glass shattered in air raids from flying about inside buildings and damaging workers and machinery. They have also been used to a large extent for replacing roof lights, and both hardboard and insulating boards have been used for quick repair of air-raid damage.

At present insulating boards are practically reserved exclusively by the Government for repair of bomb damage, and hardboards for replacing roof lights damaged in air raids. It is difficult to obtain a permit to use boards for any other purpose.

The position at the moment is that, owing to the necessity for conserving shipping space for more necessary cargoes, such as food and munitions, wallboards are not coming into the country in quantities to meet the demand. Civil building is almost at a standstill, and though the demand for wallboards for government purposes is great, the government cannot permit the import of sufficient supplies to meet these requirements. Only in badly bombed areas are wallboards being sold in any appreciable quantity.

### TIMBER

As all in the trade are aware, the timber trade in Scotland has been under strict control since the outbreak of war, and the Timber Controller has been the sole importer. Purchasing has been effected chiefly through the recognized selling agents in this country but, as the Controller did not want a duplication

of interests, buying was mainly done through the larger agency firms in the south, and Scottish agents have not participated to any appreciable extent in direct selling to the Control.

Distribution of supplies has been carried out through the merchants under a system of quotas based on the pre-war purchases of each firm and on a fixed percentage basis of remuneration. The merchants could only dispose of their quotas against licences granted by the Control to consumers, and the granting of such licences was restricted to requirements of national importance.

The Control has concentrated very largely on timbers of Empire production, of which Canada has been a prominent supplier. However, in view of the need to conserve shipping space and dollar exchange, every effort has been made to utilize home-grown timber, production of which has continued to increase.

Supplies of timber in the country are reported to be adequate to meet essential requirements for some time to come, and it is likely that imports may be further restricted, during the immediate future at any rate.

It is considered that the Canadian timber trade has acquitted itself admirably and that it is establishing itself so firmly that competitors will find it difficult after the war to recapture their pre-war share of the trade with this country.

The principal Canadian woods imported have been Douglas fir, Western hemlock, Western red cedar and Eastern spruce. Parcels of Canadian birch have been received and have proved satisfactory. Quebec yellow pine (white pine) arrivals towards the end of the year, in third and fourth qualities, were insufficient to meet the demand. This wood is used for pattern-making and is the best available for this purpose.

#### ASBESTOS

Asbestos is in good demand in Scotland and is all for war purposes. Shipments during 1940 have been satisfactory, and good stocks are available. It is not anticipated that imports during 1941 will be on the same scale. Prices have kept steady but, since freights have increased considerably, landed prices are much higher than pre-war quotations. Steady business is anticipated.

#### TALC

Owing to other sources of supply being cut off, there is a good demand for Canadian talc, and it is stated that producers have been unable to meet requirements. There is an opening for a good quality of talc with reasonable slip and low in lime content. A good white colour is preferable, but this can be departed from if the qualities were otherwise satisfactory.

### EIRE'S EXTERNAL TRADE IN 1940

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, March 14, 1941 (delayed).—Official figures of Eire's trade in 1940 are not being published, owing to the war, but it is understood that imports increased in value by approximately 6 per cent and exports by approximately 25 per cent as compared with 1939.

Imports in 1939 were valued at £43,497,434 and exports at £26,902,013. The adverse visible balance of trade in 1940 was about £14,000,000.

#### IMPORTS

Direct imports from Europe were received in 1940 only from neutral countries, although goods from nearly all the countries from which Eire buys



entered during the year. A few ships entered Irish ports directly from Portugal, Spain and the Scandinavian countries in the early part of the year, but all such trade had ceased at the end of the year.

Trade with the United Kingdom and Northern Ireland was steady and brisk and showed a substantial increase over 1939, particularly export trade. There were very few losses from enemy action affecting this trade—none in the case of Northern Ireland, but the measures adopted to prevent loss occasioned much delay and irregularity in the movement of trade.

The rationing of certain foodstuffs in the United Kingdom led to a great increase in the parcel post trade from Eire, thousands of parcels being sent weekly by people in Eire to friends in the United Kingdom. This "trade" reached such proportions in the case of certain commodities (butter, sugar and tea) that the Government stopped it owing to the shortage created in Eire. While a few persons in the United Kingdom were buying these "gifts", in the great majority of cases they were legitimate gifts.

Imports from Canada in 1940 rose substantially in value and the flow of these imports was fairly well maintained throughout the year, although there was some interruption in direct shipping service between Canadian and Irish ports.

Increases occurred also in imports from the United States and South America. A large part of these imports was carried by tramp ships and chartered vessels rather than by regular lines, owing principally to the prohibition on entry of United States vessels into the war zone (as declared by the President under the Neutrality Act), which includes the waters surrounding Ireland. Despite this obstacle to trade with the United States, the value of imports from that country in 1940 reached a large figure, although the percentage of increase was small compared with that for imports from Canada. A large part of this import trade was accounted for by hard wheat and other grains conveyed in ships chartered by the government-controlled Grain Importers (Eire) Limited and Animal Feeding Stuffs (Eire) Limited, which are the sole importing agencies for such commodities.

#### SHIPPING VOLUME

Some 80 per cent of the trade of Eire passes through Dublin in normal times and the figures of the Dublin Port and Docks Board for the first nine months of 1940 show a decline of 711,668 tons in the tonnage of foreign and cross-Channel shipping entering the port. Foreign shipping entering the port totalled 331,817 tons and cross-Channel and coastwise shipping aggregated 1,137,395 tons. Tonnage dues fell from £69,321 in the first nine months of 1939 to £58,274, but dues on goods rose from £76,741 to £84,182.

#### EXPORTS

The increase in exports from Eire was nearly all accounted for by British purchases. There were apparently no exports from Eire in 1940 to Germany, Italy and Japan. Holland and France, with gains of 25 and 200 per cent respectively, were the only European countries to which Irish exports increased. While exports to Canada rose sharply in value, their total value was roughly only 5 per cent of the value of Irish imports from Canada. Exports to the United States were nearly double in value those of 1939. Trade with the United States, however, continued to show a disparity between imports and exports similar to that of trade with Canada, total exports to the United States in 1940 failing to reach £500,000. Eire has few exports to offer except agricultural products, and these are not in demand in the United States.

## AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, March 17, 1941.—Having accepted the Federal Government's plan for stabilization of the wheat industry, it remains with the wheat-growers to honour their side of the agreement. There is to be no enforced reduction of acreages sown to wheat this year, but growers will be expected to keep within the limits of average sowings over the last four years. The inability to control seasons, diseases, storms, fires and other uncertainties, which make the farmers' vocation precarious, consequently makes controlled production practically impossible. However, a crop of 140,000,000 bushels is the limit to which the Government's plan applies, and growers who might be tempted to increase sowings because of a guaranteed price would be taking an unfair advantage of their fellows. When it is realized that the average production of wheat throughout Australia during the past ten years was 177,726,000 bushels, the probability that the limit of 140,000,000 bushels will be exceeded, even with average sowings, is very great.

As might have been expected, the steps which have been taken by the Federal Government under the National Security Act to stabilize the industry have not passed without criticism, and some growers contend that restriction of production is a policy of despair, especially for a country dependent upon the export of primary products to meet commitments abroad. But the problem of "Cinderella wheat" is not peculiarly Australian, and the steps taken in Australia will be justified if they contribute to a solution of the much wider problem of world supply.

Prospects for sowing the 1941-42 crop are favourable, and, following a drought season, the yield should be heavy, probably approaching the high average yield of 15·8 bushels per acre in 1939-40 instead of the low yield of 6·78 bushels per acre indicated for the current 1940-41 season.

### WHEAT PRICES

Approximate export prices f.o.r. ports during the month of January in the years 1935 to 1941 were as follows: 1935, 32·8d.; 1936, 44·54d.; 1937, 61·84d.; 1938, 51·86d.; 1939, 29d.; 1940, 46·5d.; 1941, 47·75d.

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on April 17 regarding the wheat and flour situation in Australia as follows:—

No information is available as to recent shipments of wheat from Australia. It is believed that not more than 14,000,000 bushels of wheat for export remain unsold. Official wheat prices are unchanged. Approximate prices per short ton authorized by the Wheat Board for export flour in 49-pound calico bags f.o.b. Melbourne for shipment to Shanghai are equivalent in Canadian currency to \$43.29; to Hongkong, \$40.47; to the East Indies, Burma and Malaya, \$36.25; to Manila, Colombo and Calcutta, \$33.43. The flour trade is brisk, but export orders are accumulating waiting shipment. Moisture conditions for sowing of cereal crops are favourable except in Western Australia.

## BUSINESS CONDITIONS IN MEXICO IN 1940

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, April 7, 1941.—At the end of 1940, with the installation of the new president, a wave of optimism swept through Mexico. Much of this optimism was unfounded, and now business interests have resumed their policy of cautious waiting in order to ascertain what actually is the policy of the new Government.

While a number of steps were taken to encourage business, these have not yet been sufficiently developed to justify any feeling that impediments to commerce have been actually removed. Mexico still finds itself confronted with:

1. The problem of the extractive industries, particularly in connection with oil.
2. Labour law, which often prevents the entry of foreign capital.
3. The transportation problem, which calls for new roads and thorough reorganization of the railways.
4. Its agrarian policy.

Further, the position is becoming complicated by the strain of the European war, which has at last begun to be felt in Mexico, where numbers of plants find themselves without raw materials that formerly were freely imported.

The wholesale and retail trades slowed down after the excitement due to the change of Government had evaporated. Serious plans for many industrial developments are being held in abeyance, awaiting definite signs of official assistance. Ever since 1936 the foreign commerce of Mexico has tended to decline; consequently the Government has now decided to create a council for foreign trade. One of the reasons for this proposal is, of course, the upset in commercial relations caused by the European war. The Confederation of Mexican Chambers of Commerce decided to hold a "foreign commerce week" in May.

### FOREIGN TRADE

The total value of the foreign trade of Mexico shows a continued decrease. The following table gives the figures for the years 1936 to 1940, with totals for exports and imports and the favourable commercial balances that accrued to Mexico; it should be noted, however, that the commercial balance to-day does not amount to half that in 1936:

	Exports	Imports	Balance
	Millions of Dollars		
1936 . . . . .	197.1	128.9	68.2
1937 . . . . .	234.1	169.4	64.7
1938 . . . . .	167.0	111.0	55.9
1939 . . . . .	164.0	121.4	42.6
1940 . . . . .	153.9	123.4	30.5

Exports began to fall off in 1938, due to the expropriation of the oil wells in Mexico and the removal of foreign control. Since then there have been further decreases in exports resulting from the European conflict. Mexico has not been able to replace those valuable European export markets that have been lost. In regard to the future of the oil trade, it is not improbable that if the United States should reach an agreement with Mexico the latter country will increase its purchases. In this connection exports of oil from Mexico in the years 1937 to 1940 were as follows: 1937, 24,972,483 barrels; 1938, 14,738,023; 1939, 19,716,842; 1940, 20,786,707 barrels.



## RAILWAY SITUATION

General Enrique Estrada, manager of the National Railways of Mexico, in a statement before the National Congress on the bankruptcy of the present national railway system, announced that the lack of rolling stock and the poor condition of the trackage are alarming. In 1913 there were 8,000 box-cars for the transportation of goods; at the present time there are only 5,000, while the tonnage to be transported has doubled. Of 1,000 locomotives, 300 have been in service during the last forty years, and 100 of these are obsolete and they are not worth repairing. The lack of motive power is so great that many tank cars cannot be hauled out of the Cardenas Division, and there is, in addition, a large quantity of goods which cannot be hauled out of ports and stations. It is absolutely necessary that the National Railways acquire 3,000 box-cars, 50 locomotives, 200 tank-cars and 80 other cars for passengers and mail. This will cost 85,000,000 pesos. It is also necessary to replace 3,300 kilometres of track with 112-pound rails over the principal lines of Laredo, Juárez and Guadalajara. The general manager further states that this will cost 80,000,000 pesos, which he suggests be spent over a period of five years. Again, the National Railways have outstanding accounts amounting to 19.5 million pesos, and there is an inexplicable shortage of material to the value of 20.5 million pesos.

At the present time salaries are costing 8 million pesos per month, while, based on the earning capacity of the railways, in accordance with the United States railway figures, expenditure for salaries should only be 6.5 million pesos. Thus, there is a shortage of 1.5 million pesos per month.

The rehabilitation of the Mexican National Railways will, it is stated, cost 200,000,000 pesos. Following is a brief summary of how these expenditures will be distributed:

	Pesos
Overdue obligations, not including the value of materials not replaced in the warehouses . . . . .	40,000,000
Indispensable equipment . . . . .	80,000,000
New rails . . . . .	80,000,000
Total . . . . .	200,000,000

## AGRICULTURE

The following table has been prepared by the Bank of Mexico in regard to the nine principal crops of this country—corn, beans, wheat, coffee, green chili, dry chili, rice, potatoes and chick-pea:

	Million Tons	Million Pesos
1934 . . . . .	2.3	180.5
1935 . . . . .	2.3	194.2
1936 . . . . .	2.4	245.1
1937 . . . . .	2.3	320.1
1938 . . . . .	2.4	335.4
1939 . . . . .	2.8	372.9
1940 . . . . .	2.4	.....

The importance of this table becomes evident when it is explained that the first column shows the physical production and the second the value. From this it can be seen that, while the value of the leading Mexican agricultural crops has doubled, the actual volume of production for these years has remained practically the same.

It is said that the present Government is becoming concerned with the neglect of agriculture, and will endeavour to increase crop production. The increase of crop production will, of course, affect imports. For example, in the case of wheat, an effort is to be made by the Mexican Department of Agriculture to increase the crop, so as to avoid wheat purchases from the United States.

The present position of the crops is roughly as follows: The cotton crop promises to be an average one, although in Matamoros an exceptionally good crop is expected. Probably less wheat has been planted this year than in the past. The wheat crop in Lower California is unpromising. The maize and bean crops promise to turn out very much on the basis of last year's. It is hoped that the sugar crop will amount to 310,000 tons; this will mean an increase over last year's production but will by no means meet local consumption. The banana crop has been satisfactory. The tobacco crop promises to be inferior to last year's. Information received on other crops indicates favourable results for the coming year.

### MINING

Unfortunately for Mexico, the country's income has always been dependent upon its mineral production. Mining, indeed, has always been the most important industry, to the disadvantage of Mexican agriculture. The production of the principal metals in Mexico during the years 1937 to 1940 is shown in the following table:

#### *Mexican Metal Production*

	Gold	Silver	Copper	Lead	Zinc
			Thousands of Kilos		
1937 . . . . .	26.3	2,633	46,077	218,133	154,624
1938 . . . . .	28.7	2,520	41,880	282,383	178,217
1939 . . . . .	26.1	2,359	44,389	219,501	134,166
1940 . . . . .	27.4	2,570	37,600	196,253	114,955

Production of copper, lead and zinc has decreased, while silver and gold, as shown in the above table, have maintained a fairly stable volume of production during the last four years. However, it will be found that, due to rising prices, the export value of gold, silver and zinc has increased. That of copper and lead shows a decided decline not only in volume but also in value. Following are figures of exports of these metals:

#### *Mexican Exports of Metals*

	Gold	Silver	Copper	Lead	Zinc
			Millions of Pesos		
1937 . . . . .	105.1	136.9	48.5	106.1	83.7
1938 . . . . .	132.7	147.6	39.0	126.2	82.9
1939 . . . . .	144.8	154.5	52.6	125.4	79.0
1940 . . . . .	171.3	157.3	51.5	122.6	91.0

Exports of minerals during 1940 were valued at 104.6 million dollars (United States currency) according to the bulletin of the Credito Minero y Mercantil, S. A. This represents some 68 per cent of the total value of Mexican exports. The value of minerals exported was 4 million dollars less than in 1939. Minerals have their prominent aspect in the foreign trade of Mexico because they are the chief source from which the country obtains its American dollars for balancing its exchange.

### TREND OF TRADE IN 1940

In 1940 the United States continued to hold the dominant position in Mexican foreign trade. The successive invasions of Denmark, Norway, the Netherlands, Belgium and France—all normally purchasers of Mexican products—has further intensified this situation. During 1941 it is hoped to obtain a global settlement of all pending claims between the United States and Mexico through a treaty of friendship and commerce. The old "Chamizal" border contention is expected to be settled. This deals with a tract of land on the frontier. The main difficulty, of course, will be the settlement of the oil

properties expropriated under the Cardenas regime. Mexico is in need of American capital and other assistance in order to develop and reorganize its resources and industries. In May, 1940, the Mexican Government rejected a proposal on the part of the United States Government for a settlement of the oil question. The American, British and Dutch oil holdings had a value estimated at \$440,000,000, but the Mexican Government experts placed the worth of these properties at \$35,400,000.

The textile industry suffers from accumulated stocks. The shoe factories, with some exceptions, maintained their 1939 business. Rubber factories sold 9 per cent more in 1940 than in 1939. There was a decline in the operations of the cotton textile mills in 1940; while labour shifts were reduced to meet this situation, stocks on hand increased and the price of fabrics rose. Raw materials, except dyes were cheaper. The woollen industry improved 20 per cent in 1940 over 1939. Here again, although large retail stocks are on hand, prices have been raised from 10 to 15 per cent. Undoubtedly the fear of being unable to obtain wool, and other raw materials has caused this rise in price. In fact it is probable that a number of industries will be affected by the war through shortage of supplies of raw materials, and it is expected that the local Germans will employ this situation as a means for propaganda.

The Comité Regulador de Subsistencias has been reorganized, and is now called the Sociedad Nacional Distribuidora y Reguladora.

The semi-official organization known as "Pipsa", controlling newsprint imports, has been reorganized, and the local newspapers have been given extensive control in the new organization. This will mean that this body will cease to be a revenue producing source for the State, and that the price of newsprint to the local papers will be reduced.

#### SHORTAGE OF RAW MATERIALS

As indicated above, a shortage of numerous raw materials will undoubtedly affect local industries. Indeed, it is possible that a number of manufacturers will have to close down their factories. For example, there are three zipper factories in Mexico, two of which have already closed, and the remaining one is in imminent danger of being closed unless it can obtain its necessary supplies. There is a great shortage of brass, which is affecting a number of factories.

The mining industry has been heavily hit, owing to the shortage of chemicals. Unless adequate and maintained supplies of chemicals, such as zinc dust, magnesium cyanide, etc., can be assured, many metal treatment plants in Mexico will be obliged to close. Magnesium is used in the lead refineries, and powdered zinc in the precipitation treatment of silver. The delicate foreign trade position in Mexico is emphasized by the fact that it is entirely dependent on the United States' generosity for such supplies.

In the textile industry the shortage of wool tops threatens the well-known Mexican wool industry. The inability of Australia to supply these tops makes the future of this industry uncertain. Further, the installation of modern machinery is an imperative matter for the textile industry, particularly in the cotton section. All this machinery must be imported from the United States because the war has shut off Germany and other countries which supplied it in exchange for oil. The stepping up of United States industries on war work, however, will render the importation of this machinery difficult.

There has been a shortage for local consumption of 40,677 metric tons of wheat this year. This is a striking instance of the inefficiency of Mexico's agricultural development. The change from plantation to peasant holding has ruined the country agriculturally. For example, Mexico has quite recently had to



import 22,400 sacks of sugar from New Orleans, which was ordered by the National Sugar Producers' Union to relieve the acute shortage of this product in Mexico following last season's poor crop.

### BUILDING

The lack of confidence which has prevailed in Mexico during the last two years, owing to the economic policy of the Cardenas regime, has driven private funds into building. Idle capital, private income, and profits continue to be absorbed by private building, instead of being returned to productive enterprise. The number of building permits officially issued and the value of construction are most significant. This activity has increased out of proportion during 1940, when almost 76 million pesos were invested in building new residences in the Federal District alone. This building boom is bound to have a repercussion. The following table shows for the whole country the values of building permits granted from 1937 to 1940:

#### *Building Permits Issued in Mexico*

	Total Value Pesos	Monthly Aver. Pesos
1937 .....	42,578,240	3,548,186
1938 .....	43,002,320	3,583,526
1939 .....	59,422,311	4,951,859
1940 .....	75,745,650	6,312,137

The value of permits, as shown above, has been nearly doubled. Including mortgages, this sum represents an excessive investment in the production of consumable goods. Inhabitants flock from the country to the leading cities, and thus agriculture falls more and more into inexperienced hands.

### BANKING AND BUDGET

A concession has recently been granted for the establishment of a so-called Anglo-Mexican Bank. It is said that bankers in Shanghai are behind this enterprise. The following table shows the banking situation for October and November, 1940:

	October Million Pesos	November Pesos
Banknotes .....	360.6	380.8
Deposits in the Bank of Mexico .....	158.2	207.7
Deposits in other banks .....	350.3	383.0
Silver .....	327.3	330.2
Total .....	1,196.4	1,301.7

It will be noted that a large increase in bank notes is shown. On the other hand, loans and discounts have increased by \$10,000,000.

The proposed Mexican budget for 1941 is for 492,000,000 pesos. The principal departments for which funds are provided are: Defence, 110,000,000; Public Education, 77,000,000; Communications and Public Works, 53,000,000. The budget for 1940 was for 477,800,000 pesos. That for 1941 is the highest that has ever been recorded in Mexican history. The Minister of Finance stated that, in view of the present favourable economic conditions, it will not only be possible to balance the budget but also to obtain a balance that will prove useful for 1942. It is the intention of the Government to maintain a rigid budget, without modifications, and at the same time one which will not interfere with the normal development of the various activities of the new regime.

## NEWSPRINT SITUATION IN MEXICO

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, April 9, 1941.—The Mexican national organization called Pipsa, the official name of which is the *Compania Productora e Importadora de Papel, S. A.*, which handles the import of foreign newsprint into Mexico and has the sole right to import, has been reorganized. In accordance with this reorganization, which took place on February 13, the leading Mexican newspaper editing companies, being directly affected by the good or poor administration of Pipsa, were given chief control.

The measures taken naturally met with the approval of the press. It is the intention of the Mexican Government to establish a newsprint industry in Mexico, but this will take some time.

At the first meeting of the council it was decided to reduce the price of paper in reels to the newsprint consumers and to start a reserve fund with the object of later establishing a newsprint factory in Mexico. Thus, owing to the reorganization, Pipsa changed from a revenue-producing body for the Government into an organization which has lowered the price of newsprint to the newspapers and at the same time has become interested in the creation of a local newsprint industry under the Government's sponsorship.

### IMPORTS OF NEWSPRINT INTO MEXICO

The following table shows imports of two classes of newsprint into Mexico by countries of origin, one for the period January to November and the other for the period January to October, 1940:—

Classification and Country of Origin	Jan.-Nov., 1940	
	Kilos	Pesos
White paper, containing up to 80 per cent of mechanical wood-pulp, weighing more than 50 but not exceeding 57 grams per square metre, up to 6 per cent ashes, imported in rolls not smaller than 40 cms. in width and 71 cms. in diameter—		
Canada . . . . .	20,570,138	5,512,203
United States . . . . .	761,599	249,661
Great Britain . . . . .	30	30
Norway . . . . .	1,500,267	361,661
Sweden . . . . .	559,956	132,656
Total . . . . .	23,391,990	6,256,211
White paper, containing more than 40 per cent mechanical wood-pulp, and from 2 per cent to 10 per cent ashes; weighing per square metre above 60 but not more than 75 grams, imported in rolls with a minimum diameter of 70 cms., width not less than 38 cms., and presenting water marks in stripes of 2 mm. width as a minimum, at a distance of not more than 10 cms.	Jan.-Oct., 1940	
	Kilos	Pesos
Germany . . . . .	610,618	162,292
Canada . . . . .	1,336,109	607,291
Total . . . . .	1,946,727	769,583

### PROSPECTIVE PURCHASES

It is probable that some 30,000 tons of newsprint will be purchased by Mexico during the current year. Some 7,500 tons have already been purchased. One order was given to Finland for 2,000 metric tons of newsprint at an approximate price of \$61 c.i.f. Veracruz, and 500 metric tons of rotogravure at \$77.50 c.i.f. Veracruz. Shipment is to be made in April and May from Petsamo for delivery in Veracruz in June. The sale was made to Pipsa by the paper-producers of Finland. Another order was placed in Canada, and an additional quantity of more than 22,000 tons will be ordered during the coming year. In this connection four prominent Mexican newspaper representatives will visit Canada and Newfoundland at the end of April.

## CURRENT SITUATION IN CUBAN DRIED FISH MARKET

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, April 18, 1941.—The demand for Canadian dried salt fish in Cuba continues to be good, but supplies are scarce and prices consequently well maintained.

### HAVANA MARKET

Since the preparation of the previous report in this series (March 22, 1941) imports of Canadian dried salt fish have been limited to 525 bales of codfish and 180 bales of small haddock. It is reported that these shipments complete all orders booked for the Havana market and that no dried salt fish of any kind is now being offered from Canada. Local agents do not expect to receive further offers until the new catch is ready for export around the beginning of June. Stocks held by local importers at present are considered to be low, and it is expected that they will be entirely depleted before Canadian exporters enter this market again.

The last prices quoted are said to have been as follows, per bale, c.i.f., Havana: Codfish, 15/18 tails, \$11.50; codfish, large, \$11; haddock, \$7.50.

It is reported that a small lot of 40 bales of saith was received in Havana recently from England and that the price paid for this fish was £2 17s. 6d. per 100 pounds, c.i.f. Havana. An additional lot of 200 bales is now being offered at the same price, and it is expected that it will easily find a buyer. These are the first offers of any kind of dried salt fish from England in several months and, due to the uncertainty of shipments from that source, local import firms seem to have discounted this source of supply completely.

### SANTIAGO DE CUBA

There does not seem to have been any difficulty in disposing of all quotas for this market and it is understood that additional quantities could be placed if available.

Current prices are said to be as follows per drum of 128 pounds: Codfish, medium, \$12.50; codfish, small, \$12; haddock, \$9.

## MARKET CONDITIONS IN THE DOMINICAN REPUBLIC FOR DRIED SALT FISH AND BLOATERS

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, April 18, 1941.—There has been a marked increase in the price of Labrador semi-dried cod to \$9.50 during February and to \$10.50 during March. Import circles in the Dominican Republic are inclined to think that, although these price increases have been absorbed, they have had some effect on the consumption. So far, however, the price of \$10.50 has been obtainable without too much difficulty.

There are reported to have been some shipments of pollock from New Brunswick at \$10.50, c.i.f. Ciudad Trujillo but, due to an active demand in Puerto Rico, the price was subsequently increased to \$11.50.

There has also been a certain amount of business in Nova Scotia haddock at \$10 to \$10.50 c.i.f. as well as small shipments of Nova Scotia hake at around \$10.50 c.i.f.

### BLOATERS

There has been a marked decrease in the demand for Nova Scotia and New Brunswick bloaters, as the current price of 95 cents c.i.f. is considered to



be too high for this market. Importers have been induced by this increase in price to purchase a fairly large quantity of Grand Manan "medium" bloaters at about 80 cents c.i.f., but this smaller fish does not normally find a ready sale in the Dominican Republic where the preferred size is 90/110.

There has been some improvement in general conditions in the Dominican Republic due to recent price advances for coffee and cocoa and to the more promising outlook for sugar.

## ECONOMIC CONDITIONS IN CHINA IN 1940

M. T. STEWART, ACTING TRADE COMMISSIONER

(Except where otherwise stated, all dollar references are to the Chinese standard dollar or yuan, the approximate exchange value of which until March 15, 1938, was stable at U.S.\$0.29½. Due to exchange fluctuations and depreciation, the average rate for 1938 was U.S.\$0.21; for 1939, U.S.\$0.11; and for 1940, U.S.\$0.06½.)

Shanghai, February 5, 1941.—The close of 1940 marked the third full year of the Sino-Japanese hostilities, with the outcome of this prolonged incident still obscure. The Chungking regime continues to put forth strong and increasing resistance, and there is no indication of an early cessation of hostilities. The Chinese in the occupied areas have adjusted their domestic economy to meet conditions that are forced upon them, and in "free" China significant developments have taken place. After more than three years of warfare, the foreign trade of China has undergone great changes, and during that time remarkable expansion has taken place in the trade and industry of "free" and unoccupied China.

The Japanese, during the period under review, have attempted to consolidate their grip on the trade of the Yangtze Valley and North China, and their persistent efforts in this direction have been more or less successful, with a consequent reduction in the shares of United Kingdom, United States and other foreign trading interests. The blockade of the China coast and the continued closure of the Yangtze River to foreign commercial shipping, have greatly hampered trade with the interior and have caused the cost of living of the Chinese to rise drastically with no relief in sight.

Shanghai, throughout the period under review, has survived and even prospered in certain respects to a remarkable extent and, as the entire import and export trade of China is largely concentrated through the port of Shanghai, and to a lesser degree through Tientsin, conditions in Shanghai warrant careful analysis.

The workers have been beset by rapidly rising living costs, which have far outstripped their earning capacity in terms of the rapidly depreciating purchasing power of the Chinese dollar, with consequent unrest and labour disputes that have caused endless trouble to the public utility companies, the municipal authorities, and the large British, foreign, and Chinese employers of labour. Added to this, constant political pressure in one form or another has been applied directly or indirectly by the Japanese. All things considered, business and industry have operated under most trying conditions. The Shanghai Municipal Council has estimated that living costs for Chinese workers at the close of 1940 were four and one-half times greater than for the year 1936, and, as real wages have lagged considerably behind the cost of living, labour unrest is a natural sequence.

## FOREIGN TRADE AND CHINA

The total trade of China during 1940 showed a marked increase over that of 1939. Following are comparative figures for the past four calendar years, compiled from the returns issued by the Chinese Maritime Customs:—

	1937	1938	1939	1940
	Millions of Chinese Dollars			
Imports . . . . .	953	886	1,334	2,027
Exports . . . . .	838	763	1,027	1,970
Total trade . . . . .	1,791	1,649	2,361	3,997
Excess of imports . . . . .	115	123	307	57

It is apparent from the above figures that, in terms of Chinese dollars, the foreign trade of China has shown a marked increase during the past two years; but it should be borne in mind that the procedure adopted by the Chinese Maritime Customs in compiling their returns and the wide fluctuations in the value of the Chinese dollar during the last three years make statistical comparisons difficult and somewhat misleading. Although the open market value of the Chinese dollar fluctuated during 1940 between U.S.\$0.05 and \$0.07, the Chinese Government maintained the rate of U.S.\$0.29½ (the rate fixed when managed currency was introduced in 1935) for official purposes, and this basis was used by the Chinese Maritime Customs for the conversion into standard dollars of the declared gold unit value of imports (the gold unit being the monetary unit specially designed in 1930 for the Chinese Maritime Customs for the valuation of imports and payment of duties to combat the effect of the declining value of silver). The standard dollar valuation of imports, therefore, as shown above, is not augmented by the depreciation on the open market of Chinese money in relation to foreign currencies and, as exports are recorded in terms of the Chinese dollar, the average value of which during 1940 was U.S.\$0.06½, it follows that there is a comparison in the foregoing table between import values in units of U.S.\$0.29½ and export values of approximately U.S.\$0.06½.

An entirely different picture is presented when the figures given above are compared with the following table, which shows imports converted from gold units into dollars at the open market rate instead of the official rate:—

	1937	1938	1939	1940
	Millions of Chinese Dollars			
Imports . . . . .	952	1,247	3,222	5,474
Exports . . . . .	838	763	1,027	1,970
Total trade . . . . .	1,790	2,010	4,249	7,444
Excess of imports . . . . .	114	484	2,195	3,504

The fall in the exchange value of the Chinese dollar is largely responsible for the apparent tremendous increase in exports, as the quantity figures fail to show anything like a proportionate increase.

Probably the truest perspective of China's foreign trade may be obtained from the following table showing the customs returns for imports and exports converted into United States currency at the average open market rate for each year:—

	1937	1938	1939	1940
	Millions of U.S. Dollars			
Imports . . . . .	278	262	354	356
Exports . . . . .	245	160	113	128
Total trade . . . . .	523	422	467	484
Excess of imports . . . . .	33	102	241	228

In order of importance the major countries participating in China's foreign trade during 1940, with the respective total values of their import and export trades converted into United States currency at the average rate of the year, were as follows: United States, \$121 million; Japan proper, \$71 million; Great Britain, \$34 million; British India, \$32 million; French Indo-China, \$22 million; Kwantung Leased Territory, \$22 million; Netherlands India, \$19 million; Australia, \$12 million; Germany, \$7 million; Canada, \$4 million.

Comparing 1940 with 1939, on a basis of United States currency China's total trade increased by 3·6 per cent, representing a gain of 0·6 per cent in imports and 13·3 per cent in exports. The improvement, however, is attributed solely to the increased trade through the port of Shanghai, as in the districts outside of Shanghai both imports and exports have fallen substantially. In 1939, 23·34 per cent of China's imports came from Japan; last year the percentage of the total credited to Japan was 22·81. Conversely imports from the United States have risen from 15·94 per cent of the total in 1939 to 21·30 per cent in 1940. Next in importance as a supplying country was British India with 8·57 per cent of the total imports in 1940.

The share of China's export trade taken by the United States was 21·92 per cent in 1939 and 28·63 per cent in 1940. Purchases by Japan were only 6·47 per cent of the total in 1939 and 6·40 per cent in 1940. Over 41 per cent of the increase in imports into China last year as compared with 1939 was accounted for by cereals (mainly rice), flour, and raw cotton. Nearly a third of the increased exports consisted of textile fibres (chiefly silk) and animal products.

#### STATISTICAL DIFFICULTIES

Attention should be directed to an important defect in the method of compilation of the customs returns, viz. the over-valuation of imports and the under-valuation of exports, and, in view of the extremely complicated situation in China, it is important that the customs figures be accepted with a certain amount of reserve.

For example, it is authoritatively estimated that exports from North China, moving through Tientsin and Chinwangtao, should probably be increased by about 100 per cent to arrive at their true value, and exports from Shanghai should be increased by about 50 per cent. The under-valuation of exports has been in effect for a considerable period, but the extent has been greatly increased by the depreciation of the foreign exchange value of the Chinese dollar. The export value of certain monopoly materials shipped from south-western provinces of unoccupied China have little relation to the world-wide price for these commodities. An export duty is levied on certain commodities on an ad valorem basis, and these are likely to be carefully valued; whereas in the case of other goods which pay a specific export duty or are exported duty free there is not the same incentive from the revenue point of view to assess carefully their full value.

Concerning the over-valuation of imports, if the customs figures are taken as they stand, the imports into Tientsin for November would appear to exceed imports into Shanghai for that month, this illusion being due to the over-valuation of imports into Tientsin. Moreover, there is a wide variation in valuation of imports according to origin. For example, imports from countries, notably Japan and Australia, which go principally to Central and North China, are made to appear relatively large when compared with imports from the United States and Hongkong, which come mostly to Shanghai and more closely approximate a true valuation. In producing figures for the whole of China, the statistical section of the Maritime Customs ignores the difference in valuation in the figures for North China, which are lumped together with those



for the rest of China, and it is therefore impossible to draw accurate deductions from the totals which result.

### FOREIGN TRADE OF SHANGHAI

During 1940 the value of Shanghai's foreign trade amounted to the high total of \$4,342,982,000 (at current open market rates), the turnover being nearly five times greater than in 1936 when peaceful conditions prevailed in China. This represents in United States dollars an increase of 28·18 per cent over the total trade of 1939. Bearing in mind that the statistics compiled by the Chinese Maritime Customs do not recognize the wide disparity between the official and the open-market rates of exchange, the following schedule showing the total trade of Shanghai in terms of open-market dollars since 1936 may be of interest:—

	Open-market Dollars	U.S. Dollars
1936 . . . . .	914,705,621	272 million
1937 . . . . .	912,263,418	266 million
1938 . . . . .	598,625,071	126 million
1939 . . . . .	2,000,550,197	220 million
1940 . . . . .	4,342,982,187	282 million

It is apparent from the above totals that Shanghai's trade during 1938 suffered severely, but the period under review has been on the whole one of abounding prosperity, and the unrest and labour troubles which have been manifest have been largely due to the fact that the increased number of dollars received by the workers have not been sufficient to meet the rapidly rising living costs. The prosperity, however, has largely been confined to privileged groups in Shanghai, as the country on the whole has derived little benefit from the trade done. Under the control of the Japanese, the development of trade has become unbalanced. In 1936 total trade was divided approximately into 60 per cent imports and 40 per cent exports, whereas in 1940 the proportions had risen to 68 per cent for imports and fallen to 32 per cent for exports despite the greatly increased cost of imports, which tends to keep the purchases of non-essential goods down to minimum levels. The import surplus was \$1,608,415,000 (at open-market rates), or nearly double the total dollar trade in 1936. More than half of this large import surplus was due to the purchases of foreign cotton, although in normal times China grows sufficient cotton to meet the bulk of her requirements, and the large proportion of the remaining half is accredited to rice imports, which China also produces in abundance under normal conditions.

### EXCHANGE SITUATION

The exchange situation in Shanghai and in China became even more complicated during 1940 as the lack of intercourse between free and occupied China and restrictions on both sides divided the country into two virtually distinct financial areas. Shanghai, although surrounded by occupied territory and subject to constant political pressure, remains a free foreign exchange market, and throughout the period the exchange market had to contend with the heavy adverse trade balance, already referred to, as well as tremendous speculative exchange operations which over a long period tended to weaken the exchange value of the Chinese dollar.

The Shanghai foreign exchange value of the Chinese dollar in 1940 fluctuated between the high mark of  $8\frac{1}{16}$  United States cents in January and the low mark of fractionally under 5 cents in May, the year ending with rates at about  $5\frac{1}{2}$  cents. The Chinese dollar was supported from time to time by the operations of the Stabilization Fund and, considering that the proceeds of exports are being largely monopolized by the authorities, both in occupied and unoccupied parts of China, it is rather remarkable that the value of the Chinese currency has been maintained with so little difficulty.

The increasing control of the Japanese authorities over the economic life of occupied China, their monopoly of export trade, and financial manipulation are all forces directed against the Chinese national currency which have tended to weaken the exchange value of the Chinese dollar. It is of interest to note that in the occupied areas of Central and North China the note issue of Japanese military yen, which is the only legal means of payment as far as the Japanese army is concerned, had increased to about 125,000,000 yen at the end of 1940, this figure being the estimated circulation in Central China alone. In North China the Federated Reserve Bank continues to function, and its notes are virtually the only legal tender in the occupied towns, although they are not acceptable in the surrounding territory occupied by the guerrillas. In the foreign concession in Tientsin the Chinese national currency is in competition with the F.R.B. notes, and it must be admitted that the F.R.B. currency has made a strong advance during the period under review.

An event of considerable importance which occurred at the beginning of this year was the establishment of the new Central Reserve Bank of China in Nanking on January 6 and in Shanghai on January 20 and, although the influence of this new Central Bank has not been seriously felt as yet, the fact of its establishment, coupled with the economic situation in China, makes for continued uneasiness and apprehension regarding the future. All leading financial circles stress the importance of the continuance of the free exchange market in Shanghai, and any interference, pressure or restrictions, whether from Chungking or Nanking, might result in unfortunate reactions, not only in Shanghai itself but to the trade of China generally.

#### INDUSTRIAL CONDITIONS

The industrial development of Free China, which has been greatly accelerated by the continuation of the Sino-Japanese hostilities and the strengthening of Japanese control in the occupied areas, continued unabated during 1940, and Shanghai experienced an industrial boom which unfortunately now appears to be in process of collapse. Hitherto Shanghai has been ideally situated to progress industrially, having available an unlimited supply of cheap labour and plenty of raw materials, coupled with extensive shipping facilities; but the sharp contraction of the latter service within recent months has completely altered the immediate outlook.

Shipping services to Shanghai have been drastically curtailed, and tonnage is so scarce it is obvious that the general industrial activity and living conditions of the people must be seriously impaired. The industries of Shanghai are faced with an acute power shortage which can only be relieved by the release of considerable tonnage for the transport of coal, and this, under existing war-time conditions, seems highly unlikely if not impossible. Consequently the Shanghai Power Company has been forced to curtail its power supply, and the local industrialist, as well as the general public, is apparently caught in a vicious circle. Vast quantities of coal are available in North China, where production conditions are fairly normal, but it remains to be seen whether arrangements can be made to transport sufficient quantities of this coal to Shanghai to relieve the acute shortage. Such an eventuality, if not averted, will cause a sharp curtailment of industrial productivity, resulting in unemployment for a large number of workers.

Shanghai, being isolated from the interior, has been forced to rely to a large extent on imported food supplies, and here again the shipping problem affects the purchasing power of the average worker. If trade was allowed to move freely and in normal volume, rice from the interior would reach Shanghai at a moderate cost, and coal would come from North China. Wheat also would



be freely available from the interior, and raw cotton produced locally would supply at least a substantial part of the local spinning industries' requirements. However, actual conditions are such that these staple products do not reach Shanghai, and coal, rice and raw cotton are shipped from Shanghai to Japan, notwithstanding the fact that Shanghai has to import the same products in large quantities and at high prices. Moreover the consumer has to pay greatly enhanced prices for such food products as reach Shanghai, due to the indirect and irregular taxation imposed by the military authorities. Restrictions on the movement of rice and other native products from the interior have driven up the cost of living over 250 points since January, 1940. The price of rice increased by 120 per cent during the year, and by over 600 per cent since the outbreak of the Sino-Japanese conflict in 1937. Obviously this alone has led to higher living costs in all directions, resulting in increased demands for higher pay and causing industrial unrest on an unprecedented scale in Shanghai.

The Chungking Government, in reviewing the industrial and mining activities in 1940, has reported very favourably. Its estimate of the value of industrial and mining production for the year totals 1,050 million Chinese dollars, exclusive of figures for Shanghai, and this total does not include production of home industries and small enterprises that are none the less very important. The development of Free China since 1937 has been phenomenal, particularly in view of the tremendous problems of transportation of machinery equipment and supplies far into the interior. It is estimated that 120,000 tons of machinery have been transferred into Free China since 1937, and much of this has been accomplished under conditions which only the Chinese are capable of surmounting. Problems of transportation and communication are among the most difficult with which the industrialist in Free China has to contend, but it has been made apparent after more than three years of effort that outside interference cannot halt the progress of industry, and Free China has shown herself capable of developing her industrial and mineral potentialities in the face of the most adverse conditions.

#### OUTLOOK FOR 1941

It is futile to attempt to forecast developments in the Far East, as the situation is so uncertain politically, and events in China will now no doubt be greatly influenced by the course of hostilities in Europe. The trade outlook is very disturbed even when viewed from the most optimistic angle, and Shanghai and North China, although potentially important markets for Canadian products, cannot be of much practical value so long as the present difficult shipping situation obtains.

Shanghai in 1941 could be an active import market, as apart from the normal trading requirements there is a vast quantity of floating capital in Shanghai belonging to those who are uneasy concerning the future of the Chinese dollar in view of the unsettled political situation, and there is a large speculative market for imported commodities of all kinds, provided they were obtainable. Canadian exporters of newsprint, wheat flour, lumber, base metals, metal manufactures, and other items could do an excellent business in this market at the present time, provided supplies were freely available in Canada for export and shipping space could be found to traverse the Pacific. The difficult shipping situation is now the decidedly limiting factor in the import trade of Shanghai and North China.

Exports too are hampered by the lack of shipping space, and Chinese manufacturers during 1940 opened up new markets in the South which they are going to have great difficulty in supplying. The European war has influenced the industrial development locally, and Chinese manufacturers found themselves



entering new markets in the South Seas, Straits Settlements, India, and even America. In many cases this progress was made at the expense of manufacturers in Japan, as the Japanese frequently have been embarrassed by a shortage of raw materials. In addition the drop in the exchange value of the Chinese dollar has enabled exporters in Shanghai to quote prices that would otherwise not be possible, and the year 1940 witnessed a fundamental regrouping of Chinese foreign trade.

Any given situation in China is proverbially liable to sudden and unexpected changes. Although the trade outlook for 1941 is not particularly bright, it should be recalled that, despite the fact that last year as well the situation in the Far East was very unsettled, 1940 was a record year in the import and export trade of Shanghai.

## FACTS AND COMMENT ON FOREIGN TRADE

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### SHOULD MAINTAIN CONTACTS DURING WAR

Although many Canadian commodities introduced during the extremely active years 1937-1939 necessarily became dormant as a result of the Commonwealth import restrictions, every effort should be made by the Canadian firms concerned to retain contact with their established Australian agents in order that trade may be resumed smoothly and efficiently at the conclusion of hostilities.

Admittedly, many of those commodities are now being, or will be, produced to a greater or lesser extent in Australia to meet the domestic demand, but the Commonwealth Government is taking steps to ensure that uneconomical industries will not receive tariff protection at the conclusion of hostilities. Hence there is reasonable hope, despite the increased tempo in secondary industrial production, that Canada's excellent competitive position will be maintained in many commodities, while the increase in Canadian industrial capacity should provide many additional opportunities for trade promotional work in Australia at the conclusion of the war.—*Canadian Trade Commissioner, Sydney.*

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### REFUGEES IN SHANGHAI ADD TO MANUFACTURES

Local manufacture, which had already made great strides, now produces an even wider range of products than before the Sino-Japanese hostilities, due to the presence of skilled workers among the thousands of Jewish refugees in Shanghai, who have combined their knowledge with Chinese capital in establishing factories producing such articles as gloves, glassware, candles, office supplies, costume jewellery, medicines, soap and cosmetics, most of which were formerly imported.—*Assistant Trade Commissioner, Shanghai.*

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### EXODUS FROM LAND IN AUSTRALIA

During 1940 the increasing tempo of Australian industrialization, and the increasing inability of pre-war markets to absorb the agricultural products of the Commonwealth in anything like normal volume, resulted in a marked switch of emphasis in the economy of the Commonwealth from the land to the city. It happened that serious drought conditions reappeared practically throughout Australia, particularly in the wheat-growing areas. As a direct consequence there became available an increasing flow of labour from the land, enabling the munition and supply programs of the defence authorities to be implemented according to plan. This exodus of labour from the land was assuming huge proportions toward the close of the year.—*Canadian Trade Commissioner, Melbourne.*

### NO WHEAT IMPORTS FROM CANADA

Peru is a wheat importer, imports totalling between 100,000 and 120,000 tons per year. Up to 1934 certain small parcels were imported from Canada and used for mixing purposes, but since then there have been no imports from Canada. The explanation lies in price. Argentina has monopolized the Peruvian market, being in a position to quote c.i.f. Peruvian ports at prices which have ranged from 15 to 35 per cent below those quoted from Canada.—*Canadian Trade Commissioner, Lima.*

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### SECOND TO THE UNITED STATES

Canada was second only to the United States in 1940 as a source of supply for Bermuda. The value of imports into Bermuda from the three leading suppliers in 1940 were: United States, \$2,674,332; Canada, \$1,586,000; United Kingdom, \$1,490,000.—*Canadian Trade Commissioner, New York.*

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### LUMBER EXPORTS TO PERU SHARPLY DOWN

Canadian lumber exports to the west coast of South America—the only practical market is Peru—have fallen off sharply, supplies coming almost entirely from the Pacific Coast of the United States. Canadian producers were able to obtain better prices in other markets than those offered in Peru.—*Canadian Trade Commissioner, Lima.*

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### CANADA WILL CONTRIBUTE TO AUSTRALIA'S RESERVE STOCKS

The policy instituted by the Commonwealth Government, under which government purchasing bodies and private firms with the Government's co-operation, are to build up reserve stocks of a wide range of commodities, a number of which are available in Canada, should result in a maintenance of Canada's trade with Australia in such commodities and thus assist the general Empire effort. These commodities embrace raw cotton, tinplate, industrial chemicals, light and heavy chemicals, aluminium and its alloys, ball- and roller-bearing chucks for metal-working machines, graphite electrodes, lamp filaments, magnetos, mercury miners' safety lamps, silicon and tool steel, brush bristles, cotton wool, filter cloth, threads, yarns, fine cotton, artificial silk, hemp and jute linseed, gums, resins, waxes, equipment for electrical generating plants and for transport, grains, ferrous alloys, mica, nickel, metal-working machine tools, tools of trade, lithopone, rubber accelerators, tanning substances, canvas hose, cotton fabrics, lint, gauze and cotton bandages, cork, webbing, optical and dental apparatus, surgical and scientific apparatus, olive oil, turpentine, industrial diamonds, drugs and medical supplies.—*Canadian Trade Commissioner, Sydney.*

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### RECORD RETAIL SALES IN AUSTRALIA

The practically full employment of Australia's city dwellers during 1940 made for record retail sales. The purchasing power of the additional thousands who will be earning regular money wages in the near future will increase retail sales still further. At the end of 1940 there were grave fears that, unless controls were soon applied, the demand for consumable goods, especially as imports are restricted, would retard the war effort by creating competition with defence industries for labour and materials.—*Canadian Trade Commissioner, Melbourne.*

## IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to March 29, 1941.

	Unit	Total Quota	Reduction in Duty from 1930	Used by Canada to March 29, 1941	Per Cent
			Tariff Act	Quantity	
Cattle (700 lb. or more) . . . .	Head	225,000	3 to 1½c. per lb.	23,154	10.2
Cattle (less than 200 lb.) . . . .	Head	100,000	2½ to 1½c. per lb.	32,869	32.8
Whole milk . . . . .	Gal.	3,000,000	6½ to 3¼c. per gal.	1,481	....
Cream . . . . .	Gal.	1,000,000	56¼ to 28¾c. per gal.	261	....
Filletted fish, fresh or frozen; cod, haddock, hake, pollock, cusk, and rosefish . . . . .	Lb.	15,000,000	2½ to 1¼c. per lb.	2,198,827	14.6
Seed potatoes . . . . .	Bu.	1,500,000 beginning Sept. 15, 1940	75 to 37½c. per 100 lb.	547,664	36.5
White or Irish potatoes, other than seed potatoes . . . . .	Bu.	1,000,000 beginning Sept. 15, 1940	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30.	52,218	5.2
Red cedar shingles . . . . .	Square	2,488,359	Free	826,934	33.2
Silver or black foxes, furs and articles:					
*Foxes valued under \$250 each and whole furs and skins . . . .	No.	100,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	70,000	Quota filled
Tails . . . . .	Piece	5,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	4,964	99.3

\* The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the agreement.

During the first quarter of 1941, Canada shipped 23,154 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 44.7 per cent of the quarterly quota allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the first quarter of 1941 was filled, and receipts over and above this amount were subject to the full tariff rate.

Under the classification of silver or black foxes, furs and articles the quota allotment of 500 pounds of paws, heads and other separate parts was filled; 364 pounds of piece plates were entered, or 66.2 per cent of the quota of 550 pounds; and 34 units of articles other than piece plates, or 6.8 per cent of the quota of 500 units. However, there is no indication in the statement by the Treasury Department that any of the above articles were imported from Canada.

### SPECIAL PRODUCTS BOARD APPOINTED

Under Order in Council (P.C. 2520) a Special Products Board has been appointed to deal with certain products or classes of products which may be required for export to the United Kingdom Ministry of Food and which are not already being handled by another Board.

The Board shall have power to regulate the export of special products to the United Kingdom pursuant to agreements made between the United Kingdom and Canadian Governments and for that purpose to arrange with or require any person to ship and deliver on board ship at seaboard special products of the quantity and quality specified in such arrangements or requirements for shipment to the United Kingdom Ministry of Food, or as it may direct. It shall also have power to require any person to store for future delivery to the



United Kingdom Ministry of Food such special products as the Board determines to be necessary to satisfy future requirements of the Ministry of Food under agreement with the Government of Canada; also to determine the prices which shall be paid for special products to be delivered in accordance with its requirements.

Members of the Special Products Board are: Mr. A. M. Shaw, Director of Marketing Service, Department of Agriculture, chairman; Mr. R. S. Hamer, Director of Production Service, Department of Agriculture; and Mr. T. G. Major, Chief, Commodity Division, Department of Trade and Commerce.

## TRADING WITH YUGOSLAVIA PROHIBITED

From and including April 15, 1941, the provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) have been extended to and are deemed to apply to the territory of Yugoslavia as enemy territory, owing to its occupation by enemy forces.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### FURTHER IMPORT LICENSING CHANGES EFFECTIVE APRIL 1, 1941

With reference to the article in the last issue of the *Commercial Intelligence Journal* (No. 1942: April 19), pages 480-1, Mr. S. Laney, Australian Customs Representative in New York, has furnished further information as to the additional restrictions on importations from non-sterling countries that became effective in Australia on April 1, 1941, under the import licensing system adopted on December 1, 1939.

#### ARTICLES REDUCED 100 PER CENT

Specified mineral waters; dates; infants' and invalids' foods as prescribed by customs by-laws; cheese rennet; coloured rock salt; dried or concentrated vegetables (except tomatoes); hair cloth for interlining apparel; linen piece-goods; badges and emblems (except woven or embroidered); regalia ribbons as prescribed by by-laws; hair nets; towels, viz: crash, dowlas, forfar, glass cloth, huckaback, kitchen and tea; towelling in the piece, of kinds not made in Australia, and towelling for art needlework, as prescribed by by-laws; tablecloths, handkerchiefs and serviettes, unhemmed, unpressed, unboxed, as prescribed by by-laws; curtain clips, bands, loops and holders; blind tassels; manufactures of textiles or feathers not separately specified in the tariff; cotton cloth (not felt) impregnated for polishing purposes; braids, fringes and edgings of textile, not for attire; felt for polishing pads; saddlers' and upholsterers' webs, collar check, saddlers' kersey and serge; bookbinders' cloth; bunting; hand pieces for sheep-shearing machines; potato raisers, diggers and sorters; root cutters, pulpers, and graders, sub-surface packers, excluding replacement parts; horse-shoe nails; double-barrelled guns and rifles; printers' materials as specified; dog traps; turpentine; barytes, crude or ground; glass for photographic plates as prescribed by by-laws; hydrochloric, nitric, sulphuric and phosphoric acids; coal-tar oils not separately specified in the tariff; bicarbonate of soda; soda silicate; caustic soda; bleaching powder and chlorine; hyposulphite and hypochlorite of soda; carbonate of magnesia; lactose; hydraulic brake fluid; lead acetate; lead nitrate; driers for paints; hydrofluoric acid; stannous chloride; sodium stannate; trisodium phosphate; sulphate of copper; raw sheep and goatskins; paint boxes completely fitted; kindergarten materials as prescribed by by-laws; pipe organs; sensitized photographic and X-ray plates and films; sensitized papers and cards; lantern slides; stereoptic views; coir; cork tipping for cigarettes; articles admitted by by-law for the manufacture or repair of articles in Australia, viz: paper felts for roofing, and flooring felts and dampcourses, phosphoric acid, upholsterers' buttons, ochres, titanium dioxide, titanium white, titanium and antimony mixture, oxides and antimony oxide; fashion-plate photographs; dental floss; casein sheets, rods and tubes; kapok; phenol formaldehyde moulding materials; synthetic resin emulsions; pumice sand; vermiculite; erinoid, galalith, artificial horn and the like.

#### ARTICLES REDUCED 75 PER CENT

Silk piece-goods, ribbons and galloons, as specified; filament lamps 6 volts or over (except replacements for motor vehicles and motor cycles); vacuum flasks and containers; goods not separately specified, viz: printed matter; lamps, lanterns and lampware; pharmaceutical preparations, patent and proprietary medicines.

## ARTICLES REDUCED 50 PER CENT

Raw and kiln-dried coffee; grain and pulse not separately specified; rennet in tablet form; hemp seed; specified unground spices; brewers' pitch; piece-goods of silk, wool and artificial silk, of specified kinds, for neckties; hat hoods except felt; electric meters of moving coil type, as specified; chains not separately specified; process engravers' screens; complete spectacles and reading glasses; machinery packings without asbestos, as described; surgical belts and braces (not corsets); vanilla beans; charcoal in bulk.

## ARTICLES REDUCED 25 PER CENT

Flavouring esters and aldehydes, vanillin and coumarin, as specified; liquorice except root or crude; rennet (except cheese and tablet); waxes not otherwise specified; cotton organdie; straw braids for hats; dynamo-electric machines, viz: alternating current induction type exceeding 150 h.p., alternating current types not separately specified from 2 to 125 h.p., converters up to 10 k.w., direct current traction motors, motors for gearless lifts up to 50 h.p., direct current and universal up to 20 k.w. not separately specified; static transformers of specified types; camphor; cameras for commercial use; celluloid sheets; celluloid in forms for further manufacture.

## ARTICLES REDUCED 10 PER CENT

Ginger in brine or syrup in vessels over 10 gallons; tea; piece-goods not otherwise specified; milling silk; engravers' plates except zinc; dairy vats and tanks as specified; meters as specified; electrical switches, fuses, lightning arresters, cut-outs, relays, choke-coils, and electrical regulating, starting and controlling apparatus not otherwise specified; variable speed commutators as specified; dynamo electric alternating current, induction type machines over 175 h.p.; alternators for use with turbines; dynamo electric alternating current machines, unspecified types, over 125 h.p.; converters exceeding 10 k.w.; motors for gearless lifts, over 50 h.p.; generators for use with turbines; direct current and universal dynamo electric machines exceeding 20 k.w., not otherwise specified; totally enclosed direct current mill type motors over 75 h.p.; static transformers of specified types; elements for electric current rectifier assemblies except wireless and X-ray valves; electric current rectifier assemblies exceeding 100 k.w.; electrical condensers (except electrolytic as specified); chains of wrought iron and steel, welded links, of metal  $\frac{1}{2}$  inch diameter and over; certain hand tools as prescribed by by-laws; lithographic crayons; greases; vegetable paint oils (except tung); edible vegetable oils; dry colours not otherwise specified; amine resins; pure phenolic resins; shellac and dry gums; chicle; petroleum jelly in packages not less than 3 cwt.; bamboo, cane, rattans; slipper forms and piece-goods for footwear as prescribed by by-laws; atomizers and vaporizers except for toilet use; boot, shoe and corset laces and materials therefor; mohair and alpaca yarn; articles prescribed by by-laws for the manufacture or repair of goods in Australia; specified scientific instruments; feldspar; articles not specified in the tariff, viz: hair, hides and skins, rosin, split cane for brush making, fibres and grass for mats.

## LICENSING QUOTAS FOR ARTIFICIAL SILK PIECE-GOODS

An instruction issued on March 10, but effective as from January 1, 1941, announces an amended quota basis for licensing the importation into Australia from Canada, United States and Japan of artificial silk piece-goods classifiable under tariff item 105D1. It is provided that an Australian importer having a quota for the importation of such goods from any one of the three named countries may be granted licences to import the whole or part of his requirements from the other named countries in such proportions as he elects.

Prior to the issuing of this instruction, quotas were based on importations in the base year from individual non-sterling countries and might not be transferred from one such country to another. This rule still applies to artificial silk piece-goods from any such countries other than Canada, United States and Japan. Quotas are no longer allowed on importations of artificial silk piece-goods in the base year from countries with which trade is now impossible (e.g., France, Germany, Italy, etc.); but an importer having a quota for such goods from a country with which trade may still be conducted, may use it to import the goods from a "sterling" country from stocks held there of goods the produce of countries for which quotas are no longer allowed. Such transfer of quota to a country of continental Europe will not be permitted.

Licensing regulations effective April 1, 1941, reduce the quotas of artificial silk piece-goods under tariff item 105D1 when for the manufacture of neckties by 50 per cent from the value of such goods imported during an equal period of the base year ended June 30, 1939. Goods for other purposes classifiable under item 105D1 are admissible up to the level of base-year importations.



## Ireland

### FLOUR NOT SUBJECT TO IMPORT LICENCE

Mr. James Cormack, Canadian Trade Commissioner at Dublin, cabled April 18, 1941, that owing to food shortage the Government of Eire has removed restrictions on imports of flour. Formerly, under the Agricultural Produce Cereals Act, 1933, flour could be imported only under licence from the Eire Minister for Industry and Commerce. The Trade Commissioner reporting about a year ago stated that licences in practice had been issued only to the large biscuit manufacturers who required a special type of flour. Flour enters Eire free of duty.

### IMPORT QUOTAS FOR WOVEN TISSUES OF WOOL AND WORSTED

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that by an Order of the Government of Eire, dated March 4, 1941, the import quota for woven tissues of wool and worsted exceeding 3s. per square yard in value has been increased by 100,000 square yards, making a total for the period November 1, 1940, to April 30, 1941, of 700,000 square yards. All of the additional quota has been allocated to Canada and the United Kingdom as against 590,000 square yards of the former total quota of 600,000 square yards.

## Newfoundland and British West Indies

### DUTY EXEMPTIONS FOR UNITED STATES NAVAL AND AIR BASES

It has been announced that leases, under an agreement between the United Kingdom and United States Governments, in respect of United States naval and air bases in Newfoundland, Bermuda, Jamaica, St. Lucia, Antigua, Trinidad and British Guiana, provide in Article XIV that: "No import, excise, consumption or other tax, duty or impost shall be charged on: (a) material, equipment, supplies or goods for use in construction, maintenance, operation or defence of bases consigned or destined for United States authorities or to a contractor; (b) goods for use or consumption on board United States public vessels of army, navy, coast guard or coast and geodetic surveys; (c) goods consigned to United States authorities for use of institutions under government control known as postal exchange, ships' service stores, commissary stores or service clubs or for sale thereat to members of the United States forces or civilian employees of United States, being nationals of the United States and employed in connection with bases, or members of their families resident with them and not engaged in any business or occupation in the territory."

## Trinidad

### IMPORT CONTROL OF IRON AND STEEL PRODUCTS

The Trinidad *Royal Gazette* of April 10, published an extensive list of semi-manufactured and specified manufactured iron and steel products for which, it was announced, no import licences would be granted unless the material is vitally and urgently required for purposes essential to the war effort. These purposes were defined as service and defence requirements, minimum requirements for the maintenance of public utilities and communications, and minimum requirements for the maintenance of production and trade of value to the war effort or necessary for the subsistence of the population. The notice stated that, where supplies of iron and steel have hitherto been drawn from nearby sterling sources, or from Canada, licences will continue to be granted for further imports in normal quantities from such sources, provided



the materials are urgently required for an essential purpose. The Canadian Trade Commissioner was advised by the Secretary of the Control Board that orders complying with these requirements may be sent as usual by the agents direct to Canadian firms. Such orders, of course, are subject to the approval of the Trinidad Control Board.

The following classes of iron and steel products are brought within the scope of these regulations:—

Ingots, billets, blooms and slabs (excluding shells) steel; plates, medium plates, angles, channels, tees, joists, piling sections, sectional materials; rounds, rods, squares, hexagons, flats, other sections and shapes (whether black or bright); rails, sleepers, fishplates, sole-plates; sheets coated and uncoated less than 3 mm. (including galvanized lead-coated R.P.M. and cellactite sheets); tin plates (including tinned sheets), terne plates (including terne sheets), black plates (including silver finished plates); steel tubes and pipes (including imported hollow), hoops, strips (whether coated or uncoated and whether hot or cold rolled); tires, axles, wheels, steel casting, forging stamps, collieries, arches and accessories therefor, pit props, steel bolts, nuts, screws and studs, washers and screws, railway springs (whether laminated or coiled); buffers, wire rods, coated or uncoated wires (whether plain or barbed), wire ropes, wire strands, wire netting, wire chains, link fences, wire meshes, wire nails (excluding boot and shoe grinders Y), wire staples (excluding machine staples); constructional steel whether fabricated or not for inclusion in structures of buildings, pig and foundry iron, iron coatings and wrought iron.

## Antigua

### PACKAGE TAX

An Antigua Ordinance of March 26, 1941, imposes a package tax on all articles imported into the Colony except passengers' baggage, empty packages, manures and fertilizers, plants, uncased poultry, articles for Government use, and all stores, uniforms and equipment for His Majesty's Forces. The amount of the tax is scheduled as follows:—

Bags and boxes, contents not exceeding 100 lb.....each	2d.
Bags and boxes, contents 100 lb. to 250 lb.....each	4d.
Bags, contents 250 lb. to 400 lb.....each	6d.
Barrels, cans, drums, and kegs, of a liquid capacity not exceeding 10 gal. each	2d.
Same, of a liquid capacity 10 to 36 gal.....each	4d.
Barrels, casks, drums, and hogsheads, of a liquid capacity 36 to 55 gal. each	8d.
Hogsheads containing sugar, ware and other articles not in liquid form. each	2s. 8d.
Hogsheads containing tobacco.....each	4s.
Puncheons, tierces and casks of equal size of a liquid capacity exceeding 55 gal. ....each	1s. 4d.
Cattle and horses.....each	4s.
Bricks and tiles.....per 1,000	2s.
Coal and coke.....per ton	2s. 8d.
Forks, spades, and shovels.....per doz.	2d.
Fruit in bulk.....per 100	1d.
Hardware, not packed in barrels, boxes or crates.....per 100 lb.	2d.
Rope and cordage.....per 100 lb.	2d.
Scrap metal.....per ton	8d.
Shingles and staves.....per 1,000	1s.
Shooks, containing staves of the number sufficient to make one package of any size usual and proper for the export of produce when packed with or without heads.....each	2d.
Pitch pine, white pine, spruce pine, hemlock and all hard woods.....per 1,000 ft. B.M.	2s.
Wood hoops.....per bundle	2d.
All other packages not enumerated or specifically exempted.....per cubic foot or fraction	1d.

## United States

### DETERMINING BOARD MEASURE FOR PURPOSE OF REVENUE TAX

United States Treasury Decision 50366(5), published on April 10, 1941, contains a new ruling respecting board measurement for the purpose of revenue tax on Canadian dressed lumber.

United States revenue tax of \$3 per thousand feet, board measure, levied on imported "lumber, rough or planed or dressed on one or more sides, except flooring made of maple (except Japanese maple), birch and beech", was reduced to \$1.50 per thousand feet under the Canada-United States trade agreement entered into November 15, 1935, and a similar reduction is incorporated in the agreement signed November 17, 1938.

The Revenue Act was amended on May 26, 1938, providing that in determining board measure for the purpose of this tax no deduction would be made on account of planing, tonguing and grooving, this amendment to become effective July 27, 1938, unless it conflicted with the provisions of any international obligation.

United States Treasury Decision 49662 of July 27, 1938, ruled that the amendment was not in conflict with any international obligation, meaning that no allowance would be made for planing, etc., in determining board measure for the purpose of revenue tax. With reference to an importation of August 1, 1938, a United States Customs Court Decision of October 31, 1940, C.D. 391, ruled that the change in method of levying the tax was in conflict with Article IV of the Canada-United States trade agreement of 1935. The weekly issue of United States Treasury Decisions of January 16, 1941, however, announced that an appeal had been made to the United States Court of Customs and Patent Appeals against this latter Decision.

Meanwhile, a letter from the Bureau of Customs, Washington, to the Acting Collector of Customs at Duluth, Minn., dated March 28, 1941, and published as T.D. 50366(5) in the Weekly Treasury Decisions of April 10, contains the following ruling: "As the conflict found to exist between the first sentence of Section 704 (a), Revenue Act of 1938, and article IV of the first Canadian trade agreement, by the decision published as C.D. 391, is continued by the present trade agreement with Canada, shipments of planed, tongued, or grooved lumber entered for consumption or withdrawn from warehouse for consumption on or after January 1, 1939, are subject to the import tax prescribed by I.R.C., sec. 3424 (a), as modified pursuant to the trade agreement with Canada, according to the net quantity of lumber imported."

## Cuba

### MINIMUM TARIFF ON CANADIAN GOODS CONTINUED

Mr. C. S. Bissett, Canadian Trade Commissioner in Havana, writes that under a Cuban decree of March 24, 1941, Canada continues to be granted the rates of the Cuban minimum tariff for the ensuing twelve-month period.

Under the Cuban tariff system adopted by a law of March 15, 1935, the minimum tariff is granted to countries which purchase from Cuba at least one-half of the value of their sales to Cuba. When a country's purchases from Cuba are between one-quarter and one-half of sales to Cuba, a surcharge of 25 per cent of the minimum tariff is levied. When purchases are less than one-quarter of sales, the maximum tariff, double the minimum, is imposed.

It is on the grounds that Cuban exports to Canada in 1940 were more than one-half of imports into Cuba from Canada that the minimum tariff continues to be granted to imports of Canadian origin.

The application of the minimum tariff to Canada or any other country does not affect the position of the United States, which is still entitled to preferential rates lower than the minimum tariff.

### Costa Rica

#### INVOICING REQUIREMENTS FOR CUSTOMS PURPOSES

Mr. H. W. Brighton, Canadian Trade Commissioner at Panama, has prepared a new leaflet on Costa Rica invoice requirements for customs purposes. Interested Canadian exporters may obtain a copy on application to the Department of Trade and Commerce, Ottawa.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 21, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 21, 1941, and for the week ending Tuesday, April 15, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 15	Nominal Quotations in Montreal Week ending April 21	Official Bank Rate
Finland . . . . .	Markka	.0252			4
Great Britain . . . . .	Pound	4.8666	\$ .0223	\$ .0223	
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2645	.2645	3½
Switzerland . . . . .	Franc	.1930	.2576	.2573	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2281	.2280	3
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2581	.2603	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6326	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4433	.4481	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0583	.0568	—
Hongkong . . . . .	Dollar	.....	.2716	.2693	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Baking Powder.....	72	Bridgetown, Barbados.....	Purchase and Agency.
Macaroni.....	73	Bridgetown, Barbados.....	Purchase and Agency.
Salted Cooking Butter in Tins..	74	Bridgetown, Barbados.....	Purchase and Agency.
<b>Miscellaneous—</b>			
Plain Shirtings.....	75	Mexico City, Mexico.....	Purchase and Agency.
Lumber, Beech, Birch and Maple	76	New York City, New York	Purchase.
Wallboard for Acoustic Purposes	77	Mexico City, Mexico.....	Agency.
Cardboard.....	78	Monterrey, Mexico.....	Agency.
Bond Writing Paper.....	79	Monterrey, Mexico.....	Agency.
Envelopes, with Window.....	80	Johannesburg, South Africa.....	Purchase.
Fancy Paper.....	81	Mexico City, Mexico.....	Agency.
Lead Foil.....	82	Mexico City, Mexico.....	Agency.
Toilet Articles and Chemists' Sundries.....	83	Cape Town, South Africa.	Purchase or Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, and Turkey.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXIV

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No. 1944



A Group of de Havilland Training Planes at the end of the Assembly Line in a Canadian Plant

*Photo—Public Information*

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER



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## REVISED EXPORT PERMIT REGULATIONS

Under the authority of Order in Council P.C. 2448 of April 8, 1941, which provided for the establishment of an Export Permit Branch in the Department of Trade and Commerce in order to centralize control over the issuance of export permits, Hon. James A. MacKinnon, Minister of Trade and Commerce, has issued consolidated and revised export permit regulations to be effective May 5. These regulations, together with the list of articles for which an export permit is required, as published in the last issue of the *Commercial Intelligence Journal*, have been published in pamphlet form and are available through the Canadian Manufacturers' Association, Chambers of Commerce, Boards of Trade and Customs' officers, or may be obtained direct from the Export Permit Branch, Department of Trade and Commerce, 116 Wellington Street, Ottawa.

The consolidated and revised regulations are as follows:—

### GENERAL REGULATIONS

1. All permits to export goods, which are subject to export control either for the purpose of giving effect to measures of economic warfare or for the purpose of conserving supplies in Canada, will henceforth be issued solely by or on behalf of the Minister of Trade and Commerce.

Export  
Permits to be  
Administered  
by Minister  
of Trade and  
Commerce.

2. All applications for permission to export, or for information concerning the control of exports, should be submitted to the Export Permit Branch, Department of Trade and Commerce, Ottawa, except as provided for in Regulations 26, 27, 28, 29, 30, and 31.

Where to  
apply.

3. Application forms for an Export Permit may be obtained from the Export Permit Branch or from any Customs Office. Six copies must be forwarded to the Export Permit Branch or to the appropriate authority referred to in Regulations 26 to 31 inclusive, for the commodity concerned, except where more than one frontier port of exit is given, when one additional copy must be provided by the exporter for each additional port.

Export  
Permit  
Forms.

4. In accordance with the provisions of Clause 3 of Order in Council P.C. 2448 of April 8, 1941, the commodities enumerated in Schedule I to that Order in Council require an Export Permit before exportation will be permitted to any country.

Commodities  
requiring  
permits to  
all  
countries.

5. In accordance with the provisions of Clauses 5 and 6 of Order in Council P.C. 2448 of April 8, 1941, no person shall export any goods to any country outside the Western Hemisphere (other than to parts of the British Empire) or to the colonies or possessions of France within the Western Hemisphere, without first having obtained an Export Permit.

Exports  
outside  
Western  
Hemisphere.



Definition  
of Western  
Hemisphere.

6. In accordance with the provisions of Clause 7 of Order in Council P.C. 2448 of April 8, 1941, the Western Hemisphere is defined as embracing all land west of longitude 30° west and east of the International Date Line.

Exemption  
of small  
shipments.

7. Export Permits shall not be required in respect of shipments of less than \$5 in value, except in respect of sugar as provided in Regulation 30.

Fees.

8. A fee of \$2 shall accompany each application for an Export Permit covering goods of an f.o.b. value exceeding \$100, this amount to be remitted by Bank, Express or Postal Money Order, made payable to the Receiver General of Canada. No fee shall be required for a permit covering the export of goods of an f.o.b. value of \$100 or less nor for a permit covering sugar supplied as ships' stores.

Description  
and values.

9. The application for an Export Permit should contain a description of the commodity in sufficient detail to permit its proper classification. The value and quantity of each class of commodity should be shown separately. The values should comprise the selling price of the articles exported, but should not include supplementary expenses such as packing, freight, duty, etc.

Slight  
variations  
permitted.

10. Where the exact number of packages, weight and value cannot be ascertained at the time of application for an Export Permit, estimates should be given. Slight variations will not invalidate permits.

Separate  
application  
for each  
consignee.  
Country of  
ultimate  
destination  
to be shown.

11. An application form may cover more than one commodity, but must not cover shipments to more than one consignee.

12. The country designated on the application for an Export Permit as the country of destination should, in each case, be the country of ultimate destination. If it is known to the consignor that the goods are intended for transshipment, this fact must be made known on the application form and ultimate destination given. If the country of ultimate destination is not known, the applicant must undertake to advise the Export Permit Branch of the country of ultimate destination as soon as it can be ascertained. The Minister of Trade and Commerce may refuse to grant an Export Permit until he is advised of the country of ultimate destination.

Who should  
sign an  
application  
form.

13. Applications for a permit to export, made by a corporation, must be signed by an officer of the corporation or a duly authorized agent of the corporation; if made by a partnership, they must be signed by a member of the firm or its duly authorized agent; if made by an individual, they must be signed by the individual or his duly authorized agent.

Application  
becomes a  
permit.

14. When an application form has been approved by or on behalf of the Minister of Trade and Commerce the application becomes an Export Permit. Three copies of the permit will be retained for the use of the Export Permit Branch, one copy sent direct to the port of exit, and two copies to the exporter—one for his files and the original to accompany the goods (for parcel post shipments see Regulation 24).

Permits to  
be filed in  
advance.

15. The original of the Export Permit must be delivered by the exporter to the appropriate Collector of Customs at least twenty-four hours before the proposed departure of the shipment, and in the case of a shipment by sea-going vessel, twenty-four hours before the lading of the vessel.

16. Export Permits are not transferable. Permits not transferable.
17. Export Permits are subject to revocation at any time without notice. Permits subject to revocation.  
Lost permits.
18. No Export Permit that has been lost or destroyed will be replaced or re-issued until an affidavit is made by the applicant and filed with the Chief of the Export Permit Branch, stating that the original permit has been lost or destroyed and undertaking that in the event of the original permit being found the applicant will immediately return it to the Chief of the Export Permit Branch.
19. Any attempt to export a commodity differing in any way from that described in the permit or any alteration of a permit after issuance, except by or on behalf of the Minister of Trade and Commerce, is punishable under the provisions of the Customs Act or the War Measures Act, or both. No alteration in permits.
20. The Export Permit number should be shown on the shipper's Export Entry. The Export Entry must contain the same information with regard to the destination, description, quantity and value of the goods to be exported as that which appears on the approved Export Permit. Export Permit and Export Entry to agree.
21. Export Permits may be withheld until such time as a report approving the consignee has been received from the Canadian Trade Commissioner or British Consul in the country of import. Permits may be delayed.
22. Export Permits are valid for 90 days. Shipments must be made from port of exit within 90 days from the date stamped on the Export Permit. Permits given for 90 days.
23. Export Permits which have been revoked or which have expired must be returned to the Export Permit Branch. Permits to be returned.
24. An Export Permit must be obtained in advance of mailing for all shipments subject to permit requirements valued at more than \$5. The exporter will be furnished with three copies, all of which are to be stamped by the postal official accepting the shipment for transmission. One stamped copy will be returned to the shipper for his files, one copy will be mailed by the postal official to the nearest Collector of Customs and Excise, and one copy will be retained by the Postmaster. This procedure, however, will not relieve the exporter from filing the usual Export Entry. Parcel Post.
25. The fact that goods for which an Export Permit is required were sold prior to the date of such requirement, or that contracts for sale were entered into prior to this date, does not relieve the exporter of the obligation to secure an Export Permit. Date of sale has no effect on permit requirements.

## SPECIAL PRODUCTS

26. When permits are required covering the export of fertilizers to the United States applications may be submitted to the Plant Products Division, Dominion Department of Agriculture, Ottawa; Sackville, N.B.; Montreal, P.Q.; Toronto, Ontario; Winnipeg, Manitoba; Saskatoon, Saskatchewan; Calgary, Alberta; and Vancouver, B.C. Applications to export fertilizers to all destinations, other than the United States, should be submitted to the Export Permit Branch. Fertilizers.

In addition to the information requested on the application form, detailed information must be supplied as to the kind, and analysis, of each fertilizer to be exported.

Export Permits will not be required for the export of fertilizers put up in small packages for household and amateur garden use.

Dairy  
Products.

27. Applications for permits to export dairy products to the British Empire and the United States may be submitted to the Dairy Produce Graders, 502 Federal Building, Vancouver, B.C., or 407 Dominion Public Building, Halifax, N.S.

Applications for permission to export cheese must contain, in addition to the information required on the application form, information as to the kind, style and grade of cheese.

Export Permits are not required for any dairy products enumerated in Schedule I to Order in Council P.C. 2448 of April 8, 1941, forwarded to the Ministry of Food, United Kingdom, if such shipment is made by an exporter licensed by or under instruction from the Dairy Products Board, Ottawa.

Export Permits are not required for casual shipments of dairy products not exceeding 50 pounds in weight except as provided for in Regulation 5 or for dairy products supplied as ships' stores.

Hides and  
skins.

28. All applications for permits to export cattle- or horsehides, green-salted or frozen, including calfskins, must be submitted to the Hides Administrator, Justice Building, Ottawa. Particulars regarding the additional information required in connection with applications to export hides and skins may be obtained on application to the Hides Administrator.

Export Permits are not required for casual shipments of hides and skins valued at not more than \$25, except as provided for in Regulation 5.

Wool.

29. Applications for permits to export to the United States wool, other than tops, yarn, rags and waste, should be submitted to the Wool Administrator, Dominion Public Buildings, Toronto.

Sugar.

30. Applications for permits to export sugar to the British Empire and the United States and for the supply of sugar as ships' stores should be submitted to the Sugar Administrator, 437 St. James Street West, Montreal, P.Q.

Permits are not required for exports of maple sugar nor for casual shipments of other sugar not exceeding 25 pounds, except as provided for in Regulation 5.

Canned  
Lobster.

31. Applications for permits to export canned lobster to the United States should be submitted to the Controller for Canned Lobster, Salt Fish Board, Halifax, N.S.

Export Permits are not required for casual shipments of canned lobster not exceeding 48 pounds, except as provided for in Regulation 5.

Fish Oils.

32. Applications for permission to export fish oils, fish liver oils and fish viscera oils must contain, in addition to the information required in the application form, information as to the kind of oil.



## GENERAL INFORMATION

33. Exporters of any war materials or other goods shall furnish in writing, on request, together with the information supplied in filling out the application for permit to export, the following additional information with respect to the war materials or other goods specifically covered by each application:—

When additional information required.

- (a) The quantities of the same material supplied to the same purchaser directly by the applicant in each of the calendar years 1937, 1938, 1939, 1940, and the current year to date.
- (b) The total quantity to be delivered under contract to the purchaser named in the application and of which the quantity in the application forms a part, showing clearly the balance, if any, still to be delivered.
- (c) The name of the ship and her nationality, if known, and the name of the shipping agents at the port of export and import.
- (d) If the purchaser named in the application is a new account for the supplier in Canada, the sources from which he secured his supplies of the same material in previous years.
- (e) If the purchaser is a newly-organized company or partnership, a statement giving all that is known about his business antecedents and financial standing.
- (f) If the purchaser is a broker, information should be provided as to the customer who will eventually get the material and the business in which he is engaged.
- (g) A positive statement that the exporter is reasonably satisfied that the purchaser needs this material for his own production or use and will not knowingly facilitate its entry directly or indirectly into an enemy country.
- (h) Any other information which would be helpful to the Minister in deciding whether or not a permit should be granted.

34. The Commodities enumerated in Schedule I to Order in Council P.C. 2448 of April 8, 1941, are grouped in accordance with the Canadian Customs classification, with the exception of Group 10 which contains munitions of war, and which were made subject to export permit by Order in Council P.C. 1838 of July 30, 1937.

Grouping of Commodities in Schedule One.

35. Schedule I to Order in Council P.C. 2448 of April 8, 1941, is subject to alteration without notice. If in doubt as to whether or not particular articles are subject to export permit or if goods to a certain country are subject to export control, the Export Permit Branch of the Department of Trade and Commerce, Ottawa, should be consulted. Latest regulations affecting control of exports will be published in the *Canada Gazette* and in the *Commercial Intelligence Journal*.

*Canada Gazette and Commercial Intelligence Journal* to be consulted.

36. Exporters are urged to co-operate with the Export Permit Branch by applying for Export Permits, when possible, at time of receipt of order.

Co-operation between shipper and Export Permit Branch.

37. Transportation companies are advised that, except when specially authorized, commodities requiring an Export Permit should not be allowed to go forward from interior points to the frontier ports of exit unless accompanied by an Export Permit issued by or on behalf of the Minister of Trade and Commerce, Ottawa. Shipments may, however, go forward to the port of exit on ascertaining the Export Permit number and inserting the authorized permit number on the Export Entry form.

Transportation companies to hold shipments.

## SUMMARY OF THE TRADE OF CANADA: MONTH AND THREE MONTHS ENDING MARCH, 1941

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of March, 1941			Three Months ending March, 1941		
	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
<i>Imports for Consumption</i>						
Agricultural and Vegetable Products.....	12,886,189	\$ 590,079	4,216,871	34,555,267	\$ 1,788,042	12,055,339
Animals and Animal Products.....	2,326,842	392,746	1,321,733	8,465,567	1,105,595	5,346,778
Fibres, Textiles and Textile Products.....	14,487,404	5,381,180	4,957,577	35,866,460	12,585,207	12,277,191
Wood, Wood Products and Paper.....	2,973,069	117,396	2,814,515	9,402,001	494,222	8,634,550
Iron and its Products.....	35,365,197	1,512,584	33,828,768	97,420,340	3,794,876	93,351,296
Non-Ferrous Metals and their Products.....	8,317,345	1,105,667	6,050,935	21,588,608	2,517,571	16,452,809
Non-Metallic Minerals and their Products.....	11,284,677	1,226,257	8,789,144	28,890,470	2,925,092	22,714,481
Chemicals and Allied Products.....	4,776,001	479,145	4,093,087	12,837,133	1,393,527	10,973,477
Miscellaneous Commodities.....	15,565,498	6,500,108	8,932,087	47,040,466	15,080,596	31,486,410
Totals Imports, 1941.....	107,982,222	17,305,162	75,004,717	295,996,312	41,684,728	213,292,331
1940.....	76,733,896	11,525,027	52,766,580	218,879,594	30,993,573	151,371,290
1939.....	58,380,844	11,139,950	38,359,923	142,503,762	25,495,184	94,150,087
<i>Exports (Canadian Produce)</i>						
Agricultural and Vegetable Products.....	15,786,713	\$ 11,084,792	2,078,081	37,532,771	\$ 23,945,116	5,874,234
Animals and Animal Products.....	8,923,369	3,919,823	3,863,825	39,221,348	21,276,006	14,461,110
Fibres, Textiles and Textile Products.....	25,886,730	545,950	173,310	53,369,644	1,314,311	459,162
Wood, Wood Products and Paper.....	2,954,237	7,783,205	18,543,305	75,916,052	14,527,743	51,735,402
Iron and its Products.....	17,473,699	7,924,282	598,363	42,631,520	18,169,618	1,444,609
Non-Ferrous Metals and their Products.....	18,946,241	11,235,267	6,818,453	52,968,978	30,204,146	20,332,159
Non-Metallic Minerals and their Products.....	3,078,078	553,771	2,185,732	8,274,682	1,242,194	6,023,400
Chemicals and Allied Products.....	3,304,424	784,939	1,357,282	8,668,970	1,997,967	3,801,700
Miscellaneous Commodities.....	6,555,162	5,375,198	745,440	17,862,599	14,330,233	2,415,206
Totals, 1941.....	101,918,652	45,207,297	36,363,791	288,436,564	127,007,334	106,546,982
1940.....	82,719,305	40,412,921	25,381,491	243,698,474	109,656,206	79,289,623
1939.....	69,269,525	26,076,005	24,707,401	196,923,849	74,465,272	69,735,739
<i>Exports (Foreign Produce)</i>						
Totals, 1941.....	1,076,608	328,814	627,922	4,043,690	1,146,559	1,744,280
1940.....	715,745	19,311	678,944	2,734,574	74,415	2,498,800
1939.....	813,333	52,274	703,103	2,211,712	198,963	1,840,872
<i>Excess of Imports (i) or all Exports (e)</i>						
Totals, 1941.....	(i) 4,986,961	(e) 28,230,879	(i) 38,013,004	(i) 3,516,058	(e) 86,489,165	(i) 105,001,089
1940.....	(e) 6,731,244	(e) 28,907,205	(i) 26,506,145	(e) 27,753,454	(e) 78,737,048	(i) 69,582,867
1939.....	(e) 11,702,014	(e) 14,988,329	(i) 12,949,419	(e) 56,631,709	(e) 49,109,051	(i) 22,573,476

# **CANADA'S DOMESTIC EXPORTS IN MARCH AND THREE MONTHS ENDING MARCH**

(Excluding Gold)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

## BY PRINCIPAL COUNTRIES

	Month of March		Three Months ending March	
	1940	1941	1940	1941
	Thousands of Dollars			
All countries . . . . .	82,719	101,919	243,898	288,437
Empire countries . . . . .	49,851	60,216	139,388	166,312
Foreign countries . . . . .	32,868	41,703	104,510	122,125
British East Africa . . . . .	41	271	115	2,004
British South Africa . . . . .	2,998	3,461	6,185	8,866
Southern Rhodesia . . . . .	186	371	345	710
British West Africa . . . . .	38	252	132	422
Bermuda . . . . .	72	166	250	375
British India (with Burma) . . . . .	623	3,781	1,661	8,340
Ceylon . . . . .	44	40	118	113
Straits Settlements . . . . .	335	687	1,349	1,832
British Guiana . . . . .	110	333	333	842
British West Indies . . . . .	918	1,635	2,945	4,353
Hongkong . . . . .	184	187	556	494
Newfoundland . . . . .	336	796	1,302	2,140
Australia . . . . .	2,576	1,948	11,039	5,315
Fiji . . . . .	30	16	135	130
New Zealand . . . . .	239	901	1,222	2,302
Palestine . . . . .	28	116	142	126
Eire . . . . .	645	7	1,793	839
United Kingdom . . . . .	40,413	45,207	109,656	127,007
United States . . . . .	25,581	36,364	79,290	106,547
Argentina . . . . .	347	473	749	1,454
Brazil . . . . .	408	491	1,117	1,712
Chile . . . . .	120	79	392	232
China . . . . .	141	394	556	2,048
Colombia . . . . .	169	110	465	367
Cuba . . . . .	90	123	455	488
Egypt . . . . .	45	1,394	239	3,211
French possessions . . . . .	34	107	146	201
Japan . . . . .	1,066	334	4,645	906
Mexico . . . . .	255	383	817	947
Netherlands East Indies . . . . .	198	192	430	525
Panama . . . . .	33	47	130	136
Peru . . . . .	178	118	395	273
Portuguese Africa . . . . .	281	89	764	247
Sweden . . . . .	139	1	461	1
Switzerland . . . . .	108	218	322	365
Hawaii . . . . .	63	64	229	181
Philippines . . . . .	188	73	327	342
Puerto Rico . . . . .	28	47	107	149
Uruguay . . . . .	2	26	15	83
Venezuela . . . . .	135	100	385	313

## BY COMMODITY GROUPS AND LEADING COMMODITIES\*

	March, 1940	March, 1941
	Thousands of Dollars	
Total domestic exports . . . . .	82,719	101,919
Agricultural products . . . . .	18,745	15,787
Grains (total) . . . . .	9,101	10,372
Wheat . . . . .	8,141	9,795
Wheat flour . . . . .	2,864	2,012
Animal products . . . . .	13,329	8,923
Fishery products . . . . .	2,237	2,260
Furs (chiefly raw) . . . . .	1,400	1,165
Meats . . . . .	5,654	3,222
Fibres and textiles . . . . .	1,428	1,887
Wood and paper . . . . .	20,543	25,964
Planks and boards . . . . .	3,743	5,061
Wood pulp . . . . .	3,548	5,987
Paper, newsprint . . . . .	8,984	10,811



*Domestic Exports by Commodity Groups—Concluded*

	March, 1940	March, 1941
	Thousands of	Dollars
Iron and products . . . . .	6,122	17,474
Pigs, ingots, etc. . . . .	791	2,045
Farm implements . . . . .	860	1,043
Machinery, other than farm . . . . .	735	1,943
Automobiles and parts . . . . .	2,228	9,732
Non-ferrous metals (excluding gold) . . . . .	15,119	18,946
Non-metallic minerals . . . . .	2,243	3,078
Stone . . . . .	679	1,180
Chemicals . . . . .	3,140	3,305
Fertilizers . . . . .	1,334	1,009
Miscellaneous . . . . .	2,050	6,555

\* Commodities with an export value of \$1,000,000 or more in March, 1941, alone are shown.

**PRICES OF RAW MATERIALS IN THE UNITED KINGDOM***FROM The London Economist*

Raw materials conversion costs and profits: these, broadly, are the three main ingredients that make up the prices of finished goods. The prices of raw materials and the cost of converting them into finished goods have shown a substantial, though far from uniform, rise since the outbreak of war, but the general trend of net profits as distinct from gross profits, as reflected in *The Economist* index, has been slightly downwards. The proportions in which the three ingredients contribute to the price of finished goods vary considerably between different industries and between different products of the same industry. But there can be no doubt that the rise in the prices of basic industrial raw materials—the Board of Trade index advanced by 70 per cent between August, 1939, and February, 1941—has contributed substantially to that of finished goods since the outbreak of war.

Although the prices of basic products have been strongly influenced by government policy, and the majority of them are subject to direct or indirect control, it is useful, in an analysis of the causes of the rise, to distinguish between imported and home-produced materials. Apart from world supply and demand, the prices of imported materials are influenced by the Government's buying policy, by the sources of supply, by the cost of transporting them to this country, and by movements in exchange rates. Those of home-produced materials have been influenced, not only by the rise in wages, in the cost of equipment and transport and by changes in profits, but also by the size of the output required by the Government.

**IMPORTED MATERIALS**

To take first the prices of imported materials. After a slight rise consequent upon the outbreak of war, world market prices, as reflected by the index of raw materials calculated by the American Bureau of Labour Statistics, showed surprisingly little change. In the absence of the customary quarterly indices it is not possible to quote the average rise in the price of British imports, but in the following table the American indices are compared with the basic materials component of the Board of Trade's index of wholesale prices. Although this index includes a number of home-produced materials it is probably roughly representative of the general trend of import prices:—

*Indices of Raw Material Prices*

(August, 1939=100)

	United Kingdom (Board of Trade)	United States (Bureau of Labour Statistics)
1939 August . . . . .	100	100
December . . . . .	143	110
1941 February . . . . .	170	111*

\* December, 1940.

The comparative stability of raw material prices on the world market is due very largely to the operation of the British blockade which cut off from overseas supplies, first Germany, and, after June, when consumption in the United States began to advance more rapidly, almost the whole of the other continental countries. But in view of the enormous prospective expansion in America's intake of industrial raw materials, the trend of world market prices is likely to be upwards this year.

Since world market prices, as measured by the American index, have risen by only about 11 per cent since the outbreak of war, the advance in British prices must have been due entirely to higher transport costs, the fall in the sterling dollar exchange rate and the Government's buying policy. While it is impossible to assess the influence of each of these three factors on the general level of raw material prices, it is pertinent to remember that the 16 per cent rise in the sterling price of the United States dollar occurred soon after the outbreak of war and therefore did not affect prices in 1940. Although the main advance in freight rates also took place in the last four months of 1939, these must have shown a further increase in the past year; moreover, as a result of the collapse of France and the virtual cessation of trade with the continent, which formerly supplied some 30 per cent (by value) of Great Britain's imports, the Government has had to secure supplies from more distant sources and generally at a higher price. The approximate rise in the prices of a number of important materials since the outbreak of war is shown below:—

### *Indices of Raw Material Prices*

(August, 1939=100)

	United Kingdom		United States	
	December, 1939	February, 1941	December, 1939	February, 1941
Cotton . . . . .	160	156	122	119
Wool . . . . .	121	167	...	...
Motor spirit . . . . .	121	135	95	97
Rubber . . . . .	133	148	118	123
Copper . . . . .	124	124	119	114
Lead . . . . .	156	156	109	112
Spelter . . . . .	177	177	126	153
Tin . . . . .	108	148	103	108

Supplies and prices of the majority of imported raw materials were controlled soon after the outbreak of war. Rubber, tin and cotton were important exceptions, though the latter will now be added to the list of controlled commodities, for the Government has decided to become the sole importer of cotton. In the great majority of cases, the Government is securing supplies by means of bulk purchases, but the nature of its contracts shows wide divergences.

So far as Empire products are concerned, some of them have been bought for the duration of the war, while others have been secured by shorter, but renewable, contracts. Again, some products have been purchased at pre-war prices, adjustable for increases in costs, while others have been bought at fixed prices showing a substantial increase over pre-war levels. For example, the Government has bought the wool clips of Australia and New Zealand for the duration of the war and one year after at a price showing an increase of about 30 per cent over the pre-war level. This agreement was later extended to South Africa. Empire-produced non-ferrous metals have been purchased approximately at pre-war prices, but it is understood that adjustments may be made for increases in costs. Of certain colonial products, such as cocoa, the Government has bought the whole crop, though only part can actually be used; for this uneconomic method of purchasing has been designed to prevent destitution in

territories that depended largely on continental markets. Most purchases outside the Empire have also been made on a bulk basis, often at world market prices.

The prices of imported steel and timber, which must now be drawn largely from North America, are appreciably higher than before the war when supplies were obtained chiefly from the continent. In the case of petrol, purchases are reported to be made through the oil companies at the "Gulf" price. In view of differences in circumstances, divergences in the methods of purchase could hardly have been avoided, though mistakes have no doubt been made here and there, reflected in the disparity between the movement of prices here and in America which can probably not be explained in full by the rise in the sterling price of the U.S. dollar and the increase in transport costs.

### HOME-PRODUCED MATERIALS

The prices of the majority of home-produced materials have also shown a substantial advance, though, as in the case of imports, the rate of increase since the beginning of the war has been anything but uniform. Costs of production have been influenced considerably by the rise in wages, which form a substantial proportion of total costs in the production of primary products, by the increase in the prices of equipment, such as timber in coal-mining, and by the rise in transport costs. Apart from these general factors, the prices of individual commodities have been raised by circumstances special to each, such as a fall in turnover or the need for an increase in output.

The 34 per cent rise in coal prices—the principal home-produced raw material—between August, 1939, and February, 1941, has been caused very largely by the increase in wages and other costs; the levy of 3d. per ton of coal produced, imposed at the beginning of January to compensate individual coal mines for loss of trade caused by the fall in exports, has contributed only a fraction of the increase. Steel prices have advanced by 41 per cent, but the greater part of this rise has been due to the increased cost of imported materials. The rise in cement prices by 21 per cent, too, can be attributed largely to higher costs. It is in agriculture that the prices of basic materials have shown the heaviest increase; thus, the Ministry of Agriculture's index of the prices of farm crops rose by no less than 66 per cent between August, 1939, and September, 1940. A large part of this increase is due to the raising of minimum weekly wage rates by an average of 12s. to 48s. in July, 1940, but an additional and very important price-raising factor has been the encouragement of the extension of cultivation by the fixing of prices "remunerative" to farmers. As in the case of imported raw materials, government policy at home has been dictated chiefly by needs.

### ADEQUATE SUPPLIES FIRST CONSIDERATION

In general, the Government, in its raw material purchasing policy, both at home and abroad, has been influenced more by the need to secure adequate supplies than by considerations of price. And, as a result, the prices paid have no doubt often been higher than they would have been if economy had been the chief criterion. Thanks to the stability of world prices, however, the prices that have had to be paid for overseas supplies have not been excessive. But if a more marked advance is to be avoided in the future, closer collaboration between the British and American Governments, which will soon be the principal buyers of raw materials on the world markets, seems essential.



## PRICE CONTROL IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, March 17, 1941.—As compared with the limited sphere of price-fixing during the first World War, the establishment of price-fixing machinery in Australia in the present war has been extremely rapid. At the commencement of 1940 the Commonwealth Prices Commissioner had fully organized for this important phase of wartime control, with the result that price increases were checked throughout the Commonwealth before they had developed any momentum or become uncontrollable.

It is of interest to note that the Australian Government did not attempt to impose a rigid control to tie down prices to the levels prevailing before the start of the war, though there was strong pressure from certain sections of the commercial community to do so. Further, increases were permitted in so far as they were necessary to meet higher production costs only. This policy had the immediate effect of checking inflationary price rises as well as wartime profiteering.

In carrying out the Commonwealth Government's objective, the Prices Commissioner resorted during the year to a number of methods, the most important being that of "declaring" prices of particular commodities. The prices fixed may be either maximum or minimum. In actual practice a maximum price has been the rule, the necessity to declare minimum prices only arising where a company had built up large stocks of a commodity, possibly at the instigation of the government as a war measure, and where there was danger of the price suddenly collapsing owing to a change in economic conditions.

The first of the "declared" prices covered such commodities as bread, butter, coal, household refrigerators, tea, and similar domestic requirements. Building materials, particularly timber, were also important items, being a direct result of the increased demand for wartime construction programs and the higher cost of landing imported timbers. The control however, extends beyond commodities and covers all services. A typical example was in connection with shipping freights between Australia and its territories, an increase of  $12\frac{1}{2}$  per cent being permitted above those prevailing at the beginning of the war, this amount being designed to compensate for increased war-risk insurance, seamen's awards and maintenance costs.

Other interesting declarations were those on tin and copper, the price of tin in February being "fixed" at £A306 per ton and that of copper at £A63 17s. 6d. per ton. Although the British authorities have permitted further increases on the London market, the Australian price has remained unchanged.

The Prices Commission has full power to co-operate with established organizations controlling prices. This co-operation has proved particularly effective in connection with vegetables, fruits and similar basic commodities in domestic and industrial use. It has also full power to inspect and investigate all classes of goods and public services. Owing to its possession of these powers, it is believed that traders as a whole have conformed to the principles of price control without the inconvenience and expense of direct government action, and, in the opinion of responsible bodies, price control in Australia was definitely successful during 1940.

Profiteering as a whole has been successfully checked, though there are still certain abuses under consideration; price increases have apparently been successfully restricted to those that were unavoidable, and retail prices have only increased by approximately 5 per cent. The chief reason for these results has been the close and cordial co-operation existing between the Price Control Board and responsible commercial bodies throughout the Commonwealth.

## OVERSEAS TRADE OF AUSTRALIA IN 1940

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, March 12, 1941.—During the calendar year 1940 the total value of Australia's overseas trade, in British currency, was £245,219,000. This total compares with £194,691,000 in the previous year, the increase in total trade being £50,528,000.

Both imports and exports contributed substantially to this increase. Total imports were valued at £125,993,000 as compared with £95,906,000 in 1939, an increase of £30,087,000; exports totalled £119,226,000 as compared with £98,785,000 in 1939, an increase of £20,441,000. There was, therefore, an adverse balance of £6,767,000 as compared with a favourable balance of £2,879,000 in the previous year.

Statistics regarding the distribution of trade are no longer published, so that an analysis of Australia's trading position by countries as in former years is not possible. However, the statistics of exports and imports by main classes and principal commodities, which are available except for gold and silver and bronze specie and certain essential war materials, indicate the trend of Australian trade during the period under review.

The following table shows the value of Australia's exports and imports by main classes in 1939 and 1940:—

*Australian Exports and Imports by Main Classes*

	Exports		Imports	
	1939	1940	1939	1940
	Pounds Australian		Pounds Sterling	
Foodstuffs of animal origin . . . . .	31,615,598	30,018,902	1,598,374	1,372,635
Foodstuffs of vegetable origin . . . . .	23,071,706	31,939,754	4,344,396	4,310,684
Spirituous and alcoholic liquors . . . . .	1,377,616	1,129,259	700,821	1,050,354
Tobacco and preparations thereof . . . . .	330,740	361,683	1,825,505	1,197,072
Live animals . . . . .	217,262	183,751	151,851	98,678
Animal substances, not foodstuffs . . . . .	44,580,700	58,525,460	1,948,613	1,643,208
Vegetable substances and fibres . . . . .	326,371	437,385	2,679,427	4,384,281
Apparel, textiles and yarns . . . . .	648,041	1,218,608	18,322,080	28,310,316
Oils, fats and waxes . . . . .	896,900	1,322,242	*	*
Paints and varnishes . . . . .	158,876	195,742	558,765	863,197
Stones and minerals . . . . .	2,682,368	1,983,985	796,307	1,286,851
Metals, metal manufactures and machinery	12,687,343	12,762,280	27,657,533	39,233,174
Rubber and leather . . . . .	965,346	1,618,102	1,824,072	2,636,908
Wood and wicker . . . . .	1,059,394	1,140,250	1,990,338	1,545,214
Earthenware, cements, glass, etc. . . . .	185,603	181,040	1,630,515	1,907,725
Paper and stationery . . . . .	475,578	389,010	5,985,485	7,813,075
Jewellery and fancy goods . . . . .	163,298	102,118	1,273,186	1,142,271
Surgical and scientific instruments . . . . .	373,997	397,381	1,520,014	1,863,697
Drugs, chemicals and fertilizers . . . . .	888,072	1,150,107	5,187,245	6,643,072
Miscellaneous . . . . .	1,023,958	2,625,093	*	*
Totals . . . . .	123,728,767	147,682,152	95,905,933	125,993,103

\* Included in grand total.

## EXPORTS

All figures are in Australian currency and, as shown in the foregoing table, the total value during the calendar year 1940 showed a satisfactory increase from £A123,728,767 to £A147,682,152.

## COMMODITIES SHOWING INCREASES

There were increases in exports of thirteen of the twenty main classes of commodities, the greatest being under the heading "animal substances, not foodstuffs," which increased from £A44,580,700 in 1939 to £A58,525,460 in 1940, an advance of £A13,944,760. The chief items included in this group were: greasy wool, £A45,320,778 (£A33,674,487); wool, scoured and tops, £A9,900,327 (£A4,896,269); sheepskins, £A1,669,626 (£A2,328,710); rabbitskins, £A1,404,576 (£A581,576).

Foodstuffs of vegetable origin and non-alcoholic beverages also showed a substantial increase of £A868,048, total exports being valued at £A31,939,754 as compared with £A23,071,706 in 1939. This increase was accounted for by improved figures for the following products: wheat, £A11,626,195 (£A6,514,004); flour, £A7,028,099 (£A4,406,760); sugar, £A5,555,698 (£A4,336,994); and raisins £A2,098,169 (£A1,425,820). A decrease was shown in apple exports, which fell from £A1,468,761 to £A753,128.

Another noteworthy increase was in oils, fats and waxes, the total value being £A1,322,243 (£A896,900). This represented an improvement of £A425,343, chiefly in tallow £A754,376 (£A555,463).

Exports of rubber and leather and manufactures thereof advanced from £A965,346 to £A1,618,102, an increase of £A,652,756. Apparel, textiles and manufactured fibres showed a satisfactory increase of £A570,567, the total exports in 1940 being valued at £A1,218,608 (£A648,041). There was a noteworthy improvement of £A262,035 also in drugs, chemicals and fertilizers—£A1,150,107 (£A888,072), and of £A74,937 in metals and metal manufactures and machinery, which increased from £A12,687,343 to £A12,762,280.

Other increases were recorded under the following headings: tobacco and preparations thereof, £A361,683 (£A330,740); vegetable substances and fibres, £A437,385 (£A326,371); paints and varnishes, £A195,743 (£A158,876); wood and wicker, £A1,140,250 (£A1,059,394); surgical and scientific instruments, £A397,381 (£A373,997); and miscellaneous, £A2,625,093 (£A1,023,958).

#### COMMODITIES SHOWING DECREASES

The most important decrease was in foodstuffs of animal origin, the total for which declined from £A31,615,598 to £A30,018,902, or by £A596,696. The main items contributing to this decrease were: butter £A12,107,693 (£A13,651,835); beef, £A4,542,133 (£A4,914,679); and lamb, £A4,462,730 (£A5,378,522). Another large decrease was in stones and minerals, total exports being valued at only £A1,983,985 as compared with £A2,682,368 in 1939, a decline of £A698,383. Spirituous and alcoholic liquors also showed a decrease of £A248,357, from £A1,377,616 in 1939 to £A1,129,259. Other decreases were in the following classes: live animals, £A183,751 (£A217,262); earthenware, cements, glass, etc., £A181,040 (£A185,603); paper and stationery, £A389,010 (£A475,578); and jewellery and fancy goods, £A102,118 (£A163,298).

#### IMPORTS

(All values are in pounds sterling)

The increase in total imports for the year under review of £30,087,170—from £95,905,933 in 1939 to £125,993,103 in 1940—is accounted for by certain main types of commodities imported from overseas into the Commonwealth. In the number of items covered by the following summary there have been marked advances, but it must be borne in mind that the majority of such increases are in raw or semi-manufactured materials for important war industries and special reserve stocks authorized by the Commonwealth authorities.

#### COMMODITIES SHOWING INCREASES

Among the items showing increases were the following:—

*Vegetable Substances and Fibres.*—Imports under this heading increased from £2,679,427 to £4,384,281, an improvement of £1,704,854. The main items were: pulp for paper making, £760,543 (£184,411); raw cotton, £780,070 (£304,257); linseed, £704,849 (£347,821); and gums and resins, £607,784 (£420,328).



*Textiles.*—Textile imports showed a marked increase to £20,863,884 (£13,014,525), an improvement of £7,849,359. The main items were: cotton and linen piece-goods, £8,633,144 (£4,728,635); silk, including art silk, £4,108,976 (£2,722,414); carpets, linoleums and other floor coverings, £2,086,264 (£1,652,092); hessians and other jute piece-goods, £1,143,453 (£566,963); canvas and duck, £962,008 (£517,778); sewing and other cottons, threads, £745,575 (£440,688); towels and towelling, £466,123 (£342,010).

*Yarns and Manufactured Fibres.*—These commodities were also imported to a greater value—£5,841,469 (£3,543,995), an increase of £2,297,474. The main items were: corn and flour bags and sacks, £1,886,898 (£1,700,103); artificial silk yarns, £1,563,229 (£603,515); wool packs, £1,093,798 (£430,069); cotton yarns, £685,822 (£392,840); and cordage and twines, £275,223 (£188,059).

*Paints and Varnishes.*—Imports under this heading increased from £553,765 to £863,197, an advance of £304,432.

*Stones and Minerals, Including Ores and Concentrates.*—Imports under this heading showed an improvement of £490,544, increasing to £1,286,851 (£796,307).

*Metals, Metal Manufactures and Machinery.*—Imports in this group showed one of the more important increases, amounting to £39,233,174 (£27,657,533), an improvement of £11,575,641. This class is divided into two sub-classes: (a) machines and machinery, and (b) metals and manufactures other than machinery.

Imports of machines and machinery totalled £13,615,184 (£12,355,421), an increase of £1,259,763, the chief items being motive power machinery (excluding electric), £2,649,794 (£2,041,525); covered cable and wire, £1,536,741 (£1,217,200); yarn-making and textile-making machinery, £680,289 (£315,071); sewing machines, £521,569 (£397,076); and roller bearings and ball bearings, £359,598 (£191,619). Noteworthy decreases were: telephone and telephone switchboards, £616,463 (£870,485); agricultural and horticultural machinery, £99,723 (£171,634); printing machinery, £154,785 (£255,775); and batteries and accumulators, £47,686 (£53,918).

Under the heading "metals and manufactures other than machinery" there was a substantial increase of £10,315,878—from £15,302,112 to £25,617,990—chiefly in other metals and metal manufactures, £13,205,734 (£4,661,001). Other commodities showing improvements were: tools of trade (not machines), £925,707 (£786,133); lamps and lampware, £287,277 (£253,452); plated ware and cutlery, and leaf and foil. Decreases occurred in motor chassis and parts, £5,933,994 (£6,593,752); bodies and parts, £71,124 (£93,343); and motor-cycles, side cars, etc., £179,858 (£260,032), due to the heavy restrictions placed on imports from non-sterling countries early in the year.

*Rubber and Leather.*—Imports in this class increased from £1,824,072 to £2,636,908, chiefly due to increased imports of crude rubber and rubber waste.

*Paper.*—Imports under this heading also improved, from £4,117,519 to £6,134,374, the chief items in this group being printing paper, £3,372,665 (£2,570,923); writing and typewriting paper, £1,034,517 (£471,942); and wrapping paper, £507,044 (£321,188).

*Optical, Surgical and Scientific Instruments.*—Imports showed an improvement of £343,683—from £1,520,014 to £1,863,697—chiefly accounted for by surgical and dental instruments, £600,011 (£365,711).

*Drugs, Chemicals and Fertilizers.*—Imports of drugs, chemicals, etc. increased from £5,187,245 to £6,643,072, or by £1,455,827. The main increases were in dyes, £653,907 (£330,938); proprietary medicines, £406,296 (£329,994); other medicines, £402,980 (£229,585); acids, argol, and cream of tartar, there were decreases in fertilizers. Import figures regarding certain commodities in this class are not now published, as they cover essential war requirements.

*Spirituuous and Alcoholic Liquors.*—Imports under this heading increased from £700,821 to £1,050,354, chiefly whisky.

*Earthenware, Cements, China, Glass and Stoneware.*—A slight increase was shown in this class, total imports advancing from £1,630,515 to £1,907,725.

#### COMMODITIES SHOWING DECREASES

The main decreases in imports occurred under the following headings:—

*Foodstuffs of Animal Origin.*—These imports declined from £1,598,374 to £1,372,635, a decrease of £225,739. The main items were fish preserved in tins, £741,250 (£962,560); and fish, fresh, smoked, potted and concentrated, £270,154 (£320,027).

*Foodstuffs of Vegetable Origin and Non-Alcoholic Beverages.*—Imports in this group showed a slight decrease of £33,712, the total amounting to £4,310,684 (£4,344,396). The chief item under this heading is tea, which decreased from £2,746,541 to £2,582,113, while decreases were also shown in confectionery and dried and fresh fruits.

*Tobacco and Preparations Thereof.*—A decline of £628,433 to £1,197,072 (£1,825,505) occurred in this group, almost entirely accounted for by the restrictions on the importation of unmanufactured tobacco.

*Animal Substances, not Foodstuffs.*—A decrease of £305,405 was shown in this class, the total value declining to £1,643,208 (£1,948,613). The decrease was chiefly accounted for by calf, cattle and horse hides and skins, £48,184 (£164,016); sheepskins, £4,826 (£20,729); other hides and skins, £406,008 (£438,566); wool, £128,970 (£553,443). However, increases were noted in raw silks, £776,378 (£587,364); and hair and fibre, £196,795 (£103,885).

*Live Animals.*—Imports under this heading showed a decrease of £53,173, the total amounting to £98,678 (£151,851).

*Apparel and Attire.*—Apparel and attire of the manufactured types decreased from £1,763,560 to £1,604,963, practically all classes being affected. Nearly all the goods under this heading are now subject to drastic import restrictions, and domestic production is rapidly expanding.

*Wood and Wicker, Raw and Manufactured.*—Due to import restrictions, imports under this heading declined by £445,124 to £1,545,214 (£1,990,338). The three main items were: timber, undressed, £1,112,465 (£1,442,647); timber, dressed, £166,022 (£246,034); and wood and wicker manufactures, £266,727 (£301,657).

*Jewellery, Timepieces and Fancy Goods.*—Here again the effect of the Australian Customs (Import Licensing) Regulations is shown, as all the commodities under this heading are now either totally prohibited or subject to drastic restriction. Total imports were valued at £1,142,271 (£1,273,186), a decrease of £130,915. The chief items affected were timepieces, watches and clocks, £367,089 (£403,228).

It is now impossible to give the total imports under the headings "oils, fats and waxes" and "miscellaneous," as included in these classes are certain essential war requirements the details of which are no longer published. Under "miscellaneous" imports, however, the following decreases were noted: vacuum cleaners, £228,075 (£231,269); bags, baskets, boxes, cases, £149,132 (£219,173); and soap, £43,735 (£57,441).

The full effect of the Australian Customs (Import Licensing) Regulations will not be apparent until the statistics for 1941 are available, as a number of prohibited goods were still permitted entry during the early part of 1940, while many additional restrictions on non-sterling imports came into force later in the year.



## TRADE OF BERMUDA IN 1940

D. S. COLE, CANADIAN TRADE COMMISSIONER

(For the purpose of this report sterling exchange has been calculated at \$4.47 Canadian funds)

New York, April 16, 1941.—Progress of the war has resulted in continued curtailment of tourist traffic from the United States and Canada to Bermuda. This situation, however, is being compensated for by the location in Bermuda of United States army, navy and air bases, which in time will result in a heavy influx from the United States of personnel and officials in charge of construction.

All import and export trade, as well as currency matters, come under the strict supervision of the Bermuda Food and Supplies Control Board and the Bermuda Foreign Exchange Control Board.

### BERMUDA IMPORTS BY COUNTRIES

The following table shows the value of imports into Bermuda by countries of origin for 1940 as compared with 1939:—

	1940		1939		
	\$	Per Cent of Total	\$	Per Cent of Total	Per Cent Inc. or Dec.
Canada . . . . .	1,590,113	24.2	1,244,153	14.7	+ 19.7
United States . . . . .	2,680,333	40.8	3,739,392	43.9	— 28.3
United Kingdom . . . . .	1,493,735	22.7	2,501,930	29.4	— 40.2
British West Indies . . . . .	249,127	3.8	185,688	2.1	+ 33.8
New Zealand . . . . .	109,202	1.7	97,006	1.2	+ 12.3
South America . . . . .	269,393	4.1	262,452	3.0	+ 4.2
Other countries . . . . .	165,618	2.5	474,379	5.5	— 64.9
Dutiable packets . . . . .	11,166	0.2	17,858	0.2	— 38.8
Total . . . . .	6,568,687	100.0	8,522,858	100.0	— 22.9

From the foregoing table it will be noted that there have been definite gains in the imports from Canada, the British West Indies and South America, while on the other hand heavy declines have been recorded for imports from the United Kingdom and the United States. These declines are attributed to certain shipping policies of the United Kingdom and to the necessity of conserving United States dollar exchange for purchases of war materials.

### PRINCIPAL IMPORTS FROM CANADA

Details of imports from Canada into Bermuda for the calendar years 1940 and 1939, together with percentages of total imports, are shown in the following table:—

	1940		1939	
	\$	Per Cent of Total	\$	Per Cent of Total
Agricultural Supplies—				
Boxes and material . . . . .	9,275	95.4	8,055	71.5
Bran . . . . .	21,182	100.0	15,341	84.4
Corn . . . . .	3,406	32.0	697	6.3
Corn meal . . . . .	6,705	71.4	2,503	36.8
Fertilizer . . . . .	1,520	10.2	4,099	20.2
Grain, mixed . . . . .	107,664	70.6	62,352	43.7
Hay . . . . .	29,766	100.0	34,312	99.5
Oats . . . . .	86,852	100.0	88,113	97.1
Pollard . . . . .	21,237	100.0	10,460	94.8
Seed potatoes . . . . .	13,325	83.3	20,544	86.8
Beverages—				
Malt liquor (quarts) . . . . .	6,231	5.0	2,941	2.7
Whisky . . . . .	3,290	7.6	20,361	15.8
Building materials—				
Cement . . . . .	13,540	42.4	6,079	18.6
Hardware . . . . .	52,049	26.6	30,727	13.6
Laths . . . . .	1,247	100.0	1,623	100.0
Lumber . . . . .	23,745	20.8	23,941	17.8
Millwork . . . . .	1,390	3.3	688	1.3
Paints . . . . .	22,766	41.6	17,169	35.5
Structural material, miscellaneous	2,476	7.4	4,359	7.0



	1940		1939	
	\$	Per Cent of Total	\$	Per Cent of Total
Clothing—				
Boots and shoes, leather .. . . .	12,315	10.3	469	0.5
Boots and shoes, canvas.. . . .	6,955	71.4	5,351	51.4
Cotton clothing .. . . .	9,052	4.8	2,195	1.2
Cotton goods .. . . .	3,522	5.9	3,388	4.7
Rayon clothing .. . . .	7,541	15.7	5,030	10.9
Rubber goods.. . . .	3,321	20.4	1,408	9.8
Silk clothing .. . . .	11,716	54.1	4,957	18.7
Silk goods .. . . .	505	28.8	1,488	40.9
Wool clothing.. . . .	1,408	0.9	1,877	0.8
Wool goods.. . . .	2,678	6.7	2,959	12.7
Drugs—				
Drugs.. . . .	15,368	20.5	7,179	12.5
Perfumery.. . . .	7,760	10.7	2,910	2.0
Surgical instruments .. . . .	527	47.0	1,220	75.2
Electrical supplies.. . . .	38,393	10.6	28,550	6.7
Fuel—				
Coal .. . . .	4,796	7.3	....	....
Gas .. . . .	4,385	33.1	2,946	23.7
Transport.. . . .	3,307	5.4	4,300	5.3
House furnishings—				
Carpets .. . . .	4,269	26.7	2,664	8.4
Furniture .. . . .	39,139	43.2	49,550	28.7
Glassware .. . . .	559	4.3	863	3.5
Stoves.. . . .	49	0.2	335	1.7
Kitchenware .. . . .	58	3.2	295	9.5
Miscellaneous—				
Bottle caps.. . . .	2,025	16.1	98	1.0
Brooms and brushes.. . . .	6,803	48.7	3,500	22.3
Paper, wrapping.. . . .	19,319	47.7	4,537	15.7
Photo supplies .. . . .	3,639	30.6	675	3.2
Silverware .. . . .	1,243	12.0	831	4.4
Soap .. . . .	2,248	2.4	800	1.0
Stationery .. . . .	19,574	23.5	9,888	13.3
Toys .. . . .	1,426	12.6	205	2.0
Unclassified.. . . .	26,681	11.3	25,206	7.1
Food—				
Bacon .. . . .	10,308	17.5	8,882	19.4
Beef, canned .. . . .	4,375	3.6	14,282	11.3
Beef, fresh .. . . .	60,269	20.8	56,273	26.2
Beef, pickled .. . . .	27,853	56.3	26,860	56.0
Biscuits.. . . .	14,197	32.9	8,247	17.0
Butter .. . . .	79,761	41.8	64,891	35.7
Cheese .. . . .	40,717	90.9	24,741	69.7
Confectionery .. . . .	41,853	40.9	13,379	17.8
Eggs .. . . .	39,318	94.6	23,740	50.5
Fish, canned .. . . .	17,902	36.3	6,124	17.0
Fish, fresh .. . . .	961	68.6	3,710	53.6
Fish, pickled .. . . .	39,322	99.6	25,971	94.6
Flour .. . . .	107,311	90.9	73,983	85.0
Fruit, canned .. . . .	14,000	45.3	11,229	26.0
Fruit, dried.. . . .	1,395	4.9	1,042	5.5
Fruit, fresh .. . . .	30,897	23.3	12,069	7.9
Groceries .. . . .	93,709	36.2	80,943	26.4
Hams .. . . .	9,780	16.5	16,508	33.3
Jams, jellies.. . . .	2,821	12.3	2,575	21.5
Lard.. . . .	1,877	35.0	1,676	20.7
Lard substitutes .. . . .	23,137	53.6	20,566	60.4
Milk, canned .. . . .	81,430	72.0	70,327	60.7
Mutton, fresh.. . . .	20,209	23.3	24,473	27.0
Peas and beans, dried .. . . .	1,815	10.2	505	4.0
Pork, fresh .. . . .	1,971	4.7	3,209	9.1
Pork, pickled .. . . .	3,487	38.0	6,432	56.5
Potatoes, Irish.. . . .	12,261	100.0	17,558	88.3
Poultry and game.. . . .	20,656	28.4	29,064	27.6
Rice .. . . .	2,128	12.2	....	....
Salt.. . . .	4,845	91.6	4,510	69.8
Tea.. . . .	1,287	3.0	2,208	6.0
Vegetables, canned .. . . .	32,765	82.9	42,031	51.9
Vegetables, fresh .. . . .	10,411	25.0	10,580	14.2
Yeast .. . . .	8,301	66.3	4,291	32.7

Under the classification "agricultural supplies" the most important change has been the large increase in imports of mixed grains, Canada supplying over two-thirds of the total imports. There was a substantial increase in imports

of bran, all those in 1940 coming from Canada, whereas in the previous year supplies were also obtained from South America. Other agricultural products which came solely from Canada in the past year were hay, oats and pollard. Imports of hay and oats showed small declines, while receipts of pollard increased by over 100 per cent. Bermuda imports of seed potatoes and fertilizers were below those of 1939.

While the imports of malt liquors in quarts from Canada showed a slight increase, those of whisky declined in value by \$17,069.

Under the general heading "food supplies," imports of flour increased by \$34,000, confectionery by \$28,000, cheese by \$16,000, butter by \$15,000, pickled and smoked fish by \$14,000, canned fish by \$11,000, and caned milk by \$11,000. On the other hand imports of canned beef from Canada declined by \$10,000, canned vegetables by \$10,000, poultry and game by \$9,000, hams by \$7,000, and Irish potatoes by \$5,000.

Among miscellaneous products imports of wrapping paper and stationery showed substantial gains, and in the building materials group there were marked gains for cement, hardware and paints.

### BERMUDA EXPORTS

The following table shows the values of Bermuda domestic exports, re-exports and total exports for 1940 as compared with 1939:—

	1940			1939		
	Bermuda Produce	Re- exports	Total Exports	Bermuda Produce	Re- exports	Total Exports
Canada . . . . .	\$ 62,428	\$ 24,549	\$ 86,977	\$ 63,250	\$ 62,660	\$125,910
United States . . . . .	37,190	153,009	190,199	101,089	219,464	310,553
United Kingdom . . . . .	139	.....	139	7,599	12,471	20,070
British West Indies . . . .	18,609	77,804	96,413	2,405	47,883	50,288
Other countries . . . . .	.....	.....	.....	161	.....	161
Total . . . . .	\$118,366	\$255,362	\$373,728	\$174,504	\$342,478	\$516,982

During 1940 there was a decline of 27·7 per cent, or \$143,254, in the total value of Bermuda exports as compared with that for 1939. Although the value of exports to Canada of Bermuda domestic products was about the same as for the previous year, Canada became the leading purchaser in 1940, taking 52·5 per cent of the domestic exports and replacing the United States. Exports to the United States, totalling \$37,190 in value, were 63·5 per cent under those of the previous year, and shipments to the United Kingdom were almost negligible.

The principal commodities exported to Canada in 1940 included miscellaneous vegetables (\$58,065), potatoes (\$2,490), bulbs (\$1,323), animals (\$398), and hides (\$152).

### BERMUDA FOOD AND SUPPLIES CONTROL BOARD'S POLICY

During 1940 it was necessary for the Bermuda Food and Supplies Control Board to refuse import permits for a wide variety of Canadian and United States products. In this regard the Department of Trade and Commerce and this office were asked to intercede on many occasions to assist Canadian exporters who have been regular shippers to Bermuda for a number of years.

For the information of Canadian exporters it is only fair to the chairman and members of the Bermuda Food and Supplies Control Board to explain that curtailment or refusal of import permits is not intended as a slight either to Canada or to the United States, but is due to the necessity of curtailing the importations of non-essentials.

To quote the chairman, Mr. N. H. P. Vesey, "Broadly speaking the British Empire has a fixed amount of dollar assets, including gold. The amount which

is added to those assets from day to day by the sale of British merchandise to dollar sources cannot be compared to the purchases made of war supplies and necessary articles for the prosecution of the war, hence, those assets are dwindling, and it is the duty of every British subject, no matter where he lives, to curtail these purchases of non-essentials and articles which can be purchased easily from sterling sources as much as possible and to make his purchases within the sterling area."

#### CANADIAN AGENCIES

There are at present 173 Canadian agencies in Bermuda, and this number is likely to decrease rather than increase, owing to the necessity of restricting imports from Canada. The official view of the Bermuda Food and Supplies Control Board is that firms in Canada who wish to appoint representatives in Bermuda may do so without objection from the Board, but obviously there can be no assurance that merchandise will be allowed entry at any time, although, of course, they will be able to take advantage of any rulings which may be in force at the time their agents are appointed.

Canadian manufacturers and exporters who desire information or assistance in connection with marketing their products in Bermuda are invited to communicate with the Canadian Trade Commissioner, British Empire Building, Rockefeller Center, New York, N.Y.

### MEXICAN MARKET FOR PUMPS

#### A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, April 15, 1941.—Owing to the cessation of German shipments of pumps to this market, there is a fair demand for self-priming centrifugal pumps in Mexico. Their construction should be as simple as possible, on account of their being operated by peon labour. Further, they should be compact, easily portable, and gasoline-driven. Strong construction is necessary, as they are often transported to remote areas. Mud-sucker pumps for de-watering trenches and excavations, such as the Jaeger type, are also in demand.

As the duties are chargeable on weight, it is preferable to buy bases in Mexico; otherwise, a light base should be supplied. In order to effect sales, the following information is required: (a) c.i.f. prices; (b) graphic curves showing rendering power of pump; and (c) efficiency percentage for each type of pump.

When motors are required, it should be borne in mind that, while in Mexico City the 50-cycle type is used, in Monterrey 60-cycle pumps are used.

#### TYPES OF PUMPS IN USE

Following are the specifications for the types of pumps in use in Mexico:—

1. *Self-priming Centrifugal Pumps*.—Alternating-current motor, 125 volts, 50 or 60 cycles; pipe tap discharge and pipe tap suction, 1 inch or 1½ inch; total head, 6 to 40 metres; capacity, 10 to 40 litres per minute.
2. *Centrifugal Pumps without Motors*.—Pipe tap suction and discharge, 1½, 2, 3, 4, 6, and 8 inches; total head, 3 to 60 metres; capacity, 50 to 6,000 litres per minute; speed, 2,800/3,400 r.p.m., or 1,400/1,700 r.p.m., or 960/1,160 r.p.m., with shaft for pulley or coupling but without base.
3. *Deep-well Turbine Pumps (Vertical)*.—Oil-lubricated or water-lubricated with alternating-current motor, 1 phase, 125 volts, 50 or 60 cycles; size, 4 inches diameter of wells. Alternating-current motor, 3 phase, 220 volts, 50 or 60 cycles; sizes, 6 to 20 inches diameter of wells; capacity, 50 to 2,000 gallons per minute.

#### SALES METHODS

An agent in Mexico would have to carry some 50 or 60 pumps in stock, which would mean an investment of up to \$10,000, since prospective purchasers



from the haciendas, or from areas like Chapultepec, prefer to buy from samples. Some firms will handle gasoline-driven pumps only; others require pumps with alternating-current motors, 125 volts, 50 or 60 cycles.

As pumps are no longer obtainable from Germany, United States firms are the only suppliers, and Canadian manufacturers will have to meet their prices.

### IMPORTS

Following are import statistics for all types of pumps entering Mexico during the years 1939 and 1940:—

Classification and Country of Origin	1939		1940	
	Kilos	Pesos	Kilos	Pesos
Suction pumps, weighing up to 100 kilos—				
Total . . . . .	81,233	324,907	82,802	333,965
Germany . . . . .	27,893	106,402	1,240	3,100
United States . . . . .	52,649	213,609	81,334	328,399
France . . . . .	332	806	228	2,466
Great Britain . . . . .	273	3,008	.....	.....
Switzerland . . . . .	86	1,082	.....	.....
Suction pumps, weighing more than 100 kilos—				
Total . . . . .	427,255	1,277,940	620,255	2,057,993
Germany . . . . .	11,466	36,738	50,875	122,459
Canada . . . . .	276	2,650	1,910	15,100
Cuba . . . . .	.....	.....	2,406	3,146
United States . . . . .	399,661	1,114,478	564,065	1,909,455
France . . . . .	1,758	2,621	.....	.....
Great Britain . . . . .	14,094	121,453	760	6,130
Sweden . . . . .	.....	.....	239	1,703
Pressure pumps, motor-driven, with sales register—				
Total . . . . .	21,776	116,690	41,230	230,186
United States . . . . .	21,776	116,690	41,230	230,186
Pressure pumps—				
Total . . . . .	12,339	28,938	8,883	28,878
United States . . . . .	12,339	28,938	8,883	28,878

### DUTIES

Following are the duties on pumps imported into Mexico:—

Description	Pesos
Pumps for liquids, not weighing over 100 kilos; per kilo gross weight..	0.05
Pumps for liquids, weighing over 100 kilos; per kilo gross weight ..	0.04
Pumps for the sale of liquids, motor-driven, even though they register sales made; per legal kilo ..	0.20
Pedal or lever pumps, per kilo gross weight ..	0.10

## IMPORT TRADE OF CURACAO AND ARUBA IN 1939

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(At current rate of exchange 187 florins equal U.S.\$100)

Panama City, April 7, 1941.—In the statistics of the import trade of Curacao and Aruba, the two largest islands in the Netherlands West Indies, there are roughly five headings: (1) provisions and beverages; (2) dry goods; (3) machinery and parts; (4) oil products; (5) other products.

### PROVISIONS AND BEVERAGES

Imports of provisions exclusive of beverages in 1939 were valued at 4,447,704 florins for Curacao and 2,910,796 florins for Aruba.

The largest single items in this list were wheat flour (491,407 florins), cornmeal flour (301,995 florins), condensed milk (389,233 florins), butter (509,113 florins), cheese (215,527 florins), fresh and frozen meat (532,380 florins), sugar

(337,798 florins), chocolate and confectionery (183,898 florins), potatoes (125,536 florins), canned vegetables (248,343 florins), and canned meats (214,875 florins).

Other items valued at over 100,000 florins were: salted and dried fish, salted meat, ham, lard, frozen poultry, sterilized milk, eggs, corn, peas and beans, oranges, preserved fruits, fresh vegetables, rice, biscuits, and olive oil. Imports of distilled liquors, wines, beers and other beverages were valued at over 1,000,000 florins during 1939. Imports of beer were valued at over 550,000 florins, imports of gin at over 200,000 florins and those of whisky at approximately 150,000 florins. Imported comestibles were valued at 445,569 florins.

### DRY GOODS

Total imports of items under this heading were valued at 6,828,904 florins for both Curacao and Aruba.

The largest single items were: silk goods (1,532,651 florins), cotton goods (474,750 florins), bed sheets and pillow cases (210,827 florins), table cloths, napkins, etc. (188,313 florins), men's clothing (522,716 florins), ladies' silk dresses (483,701 florins), men's underwear (196,924 florins), ladies' underwear (223,940 florins), shirts (635,779 florins), men's pants (280,085 florins), pyjamas (167,191 florins), socks and stockings (290,241 florins), children's clothing (182,878 florins), and handkerchiefs (105,267 florins).

### MACHINERY AND PARTS

Imports of machines of all kinds into Curacao and Aruba during 1939 were valued at 12,120,931 florins. Oil refining equipment was the largest single item under this heading, imports into Curacao being valued at 5,498,153 florins and into Aruba at 1,858,441 florins.

Other noteworthy items under this heading were: electrical equipment (1,162,424 florins), telephone and telegraph apparatus (201,986 florins), adding machines (99,321 florins), and scales and measuring equipment (432,062 florins).

### OIL PRODUCTS

Imports of crude oil from Venezuela into Curacao and Aruba were valued at 256,121,446 florins during 1939. This crude oil is refined on the islands, in what are said to be the world's two largest refineries, for export to all parts of the world.

### OTHER PRODUCTS

Under the heading "live animals", imports of horned cattle in 1939 were valued at 298,949 florins. Sheep, goats, pigs, horses and fowls were imported in limited numbers. Imports of cattle feed were insignificant, but chicken imports were valued at approximately 40,000 florins.

Imports of iron and steel (not manufactured) were valued at 2,390,078 florins, while those of manufactured iron and steel products were valued at 1,833,690 florins. Imports of tubes, pipes, etc., were valued at 4,588,058 florins. Nails, screws, nuts, steel and wire rope and wire netting were imported to a value of approximately 250,000 florins.

Imports of perfumes were valued at 335,591 florins.

Imports of lumber, other than hardwoods, were valued at 608,416 florins.

Imports under the general heading "hides and skins, leather, leather goods, boots and shoes, etc." were valued at 1,237,435 florins. Approximately 60 per cent of the imports were shoes.

Imports of yarns, ropes and cordage were valued at 187,661 florins.

Earthenware, porcelain, bricks, etc., were imported to a value of approximately 500,000 florins. Imports of all types of glass, including bulbs, mirrors, bottles, etc., were valued at 135,732 florins.

Total imports of all types of paper were valued at 664,939 florins. Of this amount, newsprint was valued at only 7,388 florins, whereas printing and writing paper imports were valued at 51,582 florins, wrapping paper at 40,098 florins, paper cartons at 689,660 florins, and toilet paper at 15,006 florins.

Imports of cigarettes, cigars and tobacco were valued at 775,834 florins.

Imports of automobiles were valued at 899,395 florins and those of motorcycles at 18,190 florins.

Imports of radios were valued at 126,590 florins.

Other products of importance were toys (70,502 florins), stoves, ovens, heaters (74,737 florins), rubber goods (206,295 florins), electrical refrigerators (178,498 florins), and automobile tires (160,453 florins).

#### IMPORTS FROM CANADA

Total imports into Curacao and Aruba from Canada during 1939 were valued at 100,841 florins. The largest single items were: canned fish (33,459 florins), wheat flour (25,755 florins), nuts (5,638 florins), box shooks (5,663 florins), rope (3,961 florins), condiments (1,673 florins), poultry feed (1,519 florins), and medicines (1,455 florins).

Other products imported from Canada included canned vegetables, cornmeal, oatmeal, salt, aluminium ware, toilet paper, stockings, lumber, wrapping paper, paper bags, rope, and wire netting.

### MARKET PROSPECTS FOR SEED POTATOES IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, April 18, 1941.—Argentina's 1940-41 potato crop is now being dug. There was a record acreage planted this season. This was largely due to the fact that Argentina harvested a big crop of table stock last year, so that there were more than ample stocks of locally-grown first-generation Katahdins and—to a much less extent—White Rose available at low prices for planting.

It is estimated officially that 543,621 acres were planted to potatoes this season as compared with the 513,967 acres which produced the record crop last year, and as against a ten-year average of 387,552 acres. The acreage this season included some 27,000 acres planted with imported certified Canadian Katahdins and American White Rose, together with a small acreage in Green Mountains. The remainder was planted largely with first-generation Katahdins originally from Canada.

#### PRODUCTION

The Argentine Ministry of Agriculture estimated, under date April 16, that the present potato crop will yield 43,365,000 bushels. This figure was only exceeded in 1930-31 when a crop of 45,978,587 bushels was produced. The large crop last year was estimated at 39,359,250 bushels. Consequently Argentina should have sufficient table stock to take care of local consumption requirements and normal exports to neighbouring countries at comparatively low prices to consumers. Table prices continue at a low level to producers for Buenos Aires consumption.

The following table shows the comparative figures of production by provinces in Argentina in 1940-41, 1939-40, and 1938-39, as estimated by the Argentine Ministry of Agriculture:—



*Production of Potatoes in Argentina*

Provinces	1940-41 Bushel	1939-40 Bushels	1938-39 Bushels
Buenos Aires . . . . .	14,461,125	14,479,500	15,361,500
Santa Fé . . . . .	16,449,300	14,810,250	9,349,200
Mendoza . . . . .	7,203,000	5,990,250	3,785,250
Río Negro . . . . .	856,275	1,359,750	1,859,550
Salta and Jujuy . . . . .	3,193,575	1,764,000	602,700
Others . . . . .	1,201,725	955,500	238,875
Total . . . . .	43,365,000	39,359,250	31,197,075

The yields vary considerably this season according to zones. From the official estimates, the increased acreage planted would appear to have offset lower yields per acre in certain sections, particularly in the Balcarce-Mar del Plata zone where 15,000 acres of the total of 27,000 acres were planted with imported Canadian and United States certified seed last fall. The Balcarce-Mar del Plata zone has suffered from severe attacks of what is believed in some informed quarters to have been "late blight". The lower yields in this zone will reduce the quantity of local seed available for planting next season. However, due to the large yield of table stock over the entire country, table prices seem likely to continue at present low levels and this will doubtless have an important effect on the demand for Canadian certified seed next season, as was the case last season. There were losses from hail and frost in the Mendoza district but here again the loss appears to have been offset by the increased acreage.

## IMPORTS AND EXPORTS

The following table gives comparative official figures on Argentine production, imports, and exports of potatoes from 1930-31 to 1940-41:—

*Consumption of Potatoes in Argentina*

	Home Production Bushels	Table Stock Imports Bushels	Exports Bushels	Available for Consumption Bushels	Seed Imports Bushels
1930-31 . . . . .	45,978,587	17,970	1,591,569	44,404,988	.....
1934-35 . . . . .	28,509,621	23,005	1,266,405	27,266,221	8,609
1935-36 . . . . .	18,972,996	4,557,698	116,975	23,413,719	252,546
1936-37 . . . . .	8,077,834	7,513,133	146,632	15,444,335	1,800,000
1937-38 . . . . .	34,986,000	1,029,074	319,174	35,695,900	637,325
1938-39 . . . . .	31,197,075	656,061	205,910	31,647,226	1,086,316
1939-40 . . . . .	39,359,250	.....	1,040,613	38,318,637	397,281
1940-41 . . . . .	43,365,000	.....	.....	43,365,000	.....

## OUTLOOK

The factors which will have an important bearing on the demand for imported certified seed this fall may be summarized as follows:—

*Local Table Prices.*—If the official estimates of domestic production of table potatoes this season is taken as a guide, table prices should be low in Argentina until October-November or until the end of the present crop year. Potato production in Argentina is now largely in the hands of the large potato wholesalers and importers in Buenos Aires. These firms plant for their own account and give out seed on a share basis to tenant farmers, who grow nothing but potatoes on land rented from the large landowners here. Low prices for table stock naturally tend to discourage any heavy investment in new seed from Canada or elsewhere.

*Disease.*—The attack of "late blight" this season has been particularly serious in the zone where a large part of the seed imported from Canada last fall was planted, viz., Balcarce-Mar del Plata. Some of the large importer-growers have lost heavily in their current crop. The discouragement from these

losses may be offset by the knowledge that this loss means less first-generation Katahdins will be available to plant next fall.

*Varieties.*—There seems to be no reason to believe that the Katahdin variety has lost much, if any, of its popularity as compared with other varieties. The White Rose variety seems likely to be less popular this coming season: first, because it costs about \$1 per crate more than Katahdins and, secondly, because White Rose suffered more from the "late blight". On the other hand, the White Rose shipments reach Argentina earlier than shipments from Canada. There may be some increase in interest in Green Mountains due to the fact that some growers may be discouraged by reason of the loss suffered in Katahdins from "late blight" this season and will want to change again to another known variety.

*Shipping.*—A possible shortage of shipping space for Argentina from North America and the higher freight rates and insurance costs may add to the landed cost here of Canadian seed this fall. This fact, combined with probable low prices locally for table stock, may tend to reduce purchases of imported certified seed.

*General.*—The general business situation in Argentina has been seriously affected as a result of the loss of export markets due to the war. There is unemployment in industry and commerce and consumers will have to reduce their expenditures for essentials. Food prices generally are now very low and agricultural producers are suffering more than producers in other industries.

In conclusion the outlook for sales of Canadian certified seed in Argentina and Uruguay next fall may not differ greatly from the position that existed last year. It is conceivable that the demand, for the seasons cited above, may be even below last season. Unless some unforeseen factor enters into the situation between now and September next, it does not seem likely that there will be a demand above that of last fall.

## IMPORTS INTO PERU OF MOTOR VEHICLES AND TIRES AND TUBES IN 1940

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, Peru, April 1, 1941.—Import returns recently made available indicate that 3,277 motor vehicles were imported into Peru in 1940 as compared with 2,865 in 1939, an increase of 412 units. Imports of tires and inner tubes in 1940 amounted to 1,399,258 kilos in comparison with 1,193,416 kilos in 1939, an increase of 205,842 kilos.

### MOTOR VEHICLES

Automobile imports into Peru are broken down into passenger automobiles, trucks, and omnibuses. The dominant position occupied by United States suppliers of automobiles, trucks and omnibuses is apparent from the figures of imports of the various makes of motor vehicles. Imports of automobiles into Peru in 1940, which totalled 1,850, were made up as follows: Chevrolet, 408; Ford, 378; Buick, 219; Studebaker, 111; Plymouth, 98; Mercury, 84; Dodge, 79; Oldsmobile, 76; Packard, 65; Pontiac, 63; De Soto, 47; Nash, 46; Hudson, 35; Chrysler, 31; Cadillac, 31; La Salle, 23; Lincoln, 17; Fiat, 10; Willys, 10; Morris, 7; Hillman, 3; Bantam, 2; B.M.W., 1; Custer special, 1; Delahaye, 1; Graham, 1; Delage, 1; Peugeot, 1; Wolseley, 1.

The number of trucks imported into Peru in 1940 was 1,349, divided among the various makes as follows: Ford, 635; Chevrolet, 440; Dodge, 92;

International, 83; G.M.C., 35; Fargo, 29; Diamond, 16; Studebaker, 11; White, 4; Mack, 2; Hudson, 1; Bantam (delivery car), 1.

Imports of omnibuses into Peru in 1940 totalled 78 as follows: Chevrolet, 36; Ford, 23; Dodge, 7; G.M.C., 7; International, 2; De Soto, 1; Plymouth, 1; Pontiac, 1.

### TIRES AND TUBES

Canada supplies approximately 50 per cent of the total importation into Peru of automobile tires and tubes, as the result of exports to Peru being effected in many cases either in whole or in part from branches in Canada of United States firms. An analysis of the returns, together with percentages of total sales credited to each brand, is shown in the following table:—

#### *Imports of Tires and Tubes into Peru, 1940*

	Tires Kilos	Inner Tubes Kilos	Total Kilos	Per Cent of Total
Firestone . . . . .	294,493	21,522	316,015	22.58
Goodyear . . . . .	205,699	18,712	224,411	16.04
Royal . . . . .	156,792	9,987	166,779	11.92
Dunlop . . . . .	128,101	10,627	138,728	9.91
Goodrich . . . . .	119,809	11,481	131,290	9.38
Kelly . . . . .	72,967	5,404	78,371	5.60
Pirelli . . . . .	65,138	1,363	66,501	4.75
Mohawk . . . . .	52,422	3,388	55,810	3.99
General . . . . .	33,759	2,894	36,653	2.62
Seiberling . . . . .	33,339	1,992	35,331	2.52
Michelin . . . . .	26,459	3,301	29,760	2.13
Atlas . . . . .	27,887	1,747	29,634	2.12
Fisk . . . . .	20,640	1,062	21,702	1.55
Bridgestone . . . . .	14,929	234	15,163	1.08
Federal . . . . .	7,125	398	7,523	0.54
India . . . . .	4,680	2,349	7,029	0.50
Pennsylvania . . . . .	3,611	302	3,913	0.28
Riverside . . . . .	2,376	140	2,516	0.18
Bata . . . . .	2,367	46	2,413	0.17
Others (Bull-Gate, Dayton, Overman, etc.) . . . . .	27,713	2,003	29,716	2.14
Total . . . . .	1,300,306	98,952	1,399,258	100.00

The following tables show the increase in the automobile and tire trade of Peru, particularly in the case of tires and inner tubes, during the period 1933 to 1940. Unless, as the result of economic conditions, a setback occurs in Peruvian economy, the trade expects that this steady development will continue, although it anticipates a slight recession in 1941:—

#### *Imports of Automobiles, Trucks and Omnibuses into Peru, 1933-40*

	1940	1939	1938	1937	1936	1935	1934	1933
Automobiles . . . . .	1,850	1,400	1,752	2,268	2,086	1,675	1,215	303
Trucks . . . . .	1,349	1,373	2,167	2,336	1,986	1,827	1,317	418
Omnibuses . . . . .	78	92	175	217	160	145	17	6
Total . . . . .	3,277	2,865	4,094	4,821	4,232	3,647	2,549	727

#### *Imports of Tires and Inner Tubes into Peru, 1933-40*

	1940	1939	1938	1937	1936	1935	1934	1933
Tires . . . . .	1,300,306	1,106,431	863,151	792,627	529,671	497,063	408,953	501,678
Inner tubes . . . . .	98,952	86,985	68,997	71,156	50,243	54,803	48,842	48,662
Total . . . . .	1,399,258	1,193,416	932,148	863,783	579,914	551,866	457,795	550,340



## TRADE OF BRITISH MALAYA IN 1939

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

[This report contains statistics greatly delayed in publication due to the war. It is printed for reference purposes.—Ed.]

(All values are in Straits currency, S\$1 equals Canadian 53 cents at current rate of exchange. Weights are in long tons of 2,240 pounds.)

Singapore, February 14, 1941.—British Malaya's trade during 1939 amounted in value to \$1,357,099,000 (Can.\$719,262,000), or 21·6 per cent more than the previous year's total of \$1,115,925,000 (Can.\$591,440,000). The table hereunder shows how this total was made up and compares the trade in merchandise (excluding gold bullion but including parcel post) with that of the two previous years and 1929 and 1932:—

Year	Imports	Exports	Total Trade	Balance of Trade
	Figures in 1,000 Straits Dollars			
1929 . . . . .	883,754	925,880	1,814,634	+ 37,126
1932 . . . . .	380,889	326,630	707,518	— 54,259
1937 . . . . .	686,200	899,348	1,586,548	+ 213,148
1938 . . . . .	546,610	569,315	1,115,925	+ 22,705
1939 . . . . .	620,619	736,480	1,357,099	+ 115,861

### EXPORTS

It will be noted from this table that the value of 1939 exports exceeded that of the preceding year's exports by \$177,165,000 (Can.\$88,598,000), an increase of 31 per cent, and that imports were up by \$74,009,000 (Can.\$39,225,000), or 14·5 per cent.

### EXPORTS BY DESTINATIONS

As in previous years, the United States ranks first in importance among purchasers of Malaya's exports, having accounted for 43·5 per cent of all exports (29·8 in 1938). British Empire countries, excluding the United Kingdom, absorbed 17 per cent (17·9); the continent of Europe, 10·7 per cent (16·9); the United Kingdom, 10·3 per cent (14·4); and Japan, 8·9 per cent (7·3).

The following table shows merchandise exports to principal destinations during 1939 as compared with 1937 and 1938:—

### *Exports of British Malaya by Principal Destinations*

	1937	1938	1939
	Figures in 1,000 Straits Dollars		
Total . . . . .	899,348	569,315	736,480
United States . . . . .	398,849	172,763	320,155
British Empire (exclud. United Kingdom) . . . . .	117,616	101,978	125,744
Continent of Europe . . . . .	146,413	96,528	78,937
United Kingdom . . . . .	98,523	82,072	75,603
Japan . . . . .	60,712	53,887	64,257
Netherlands India . . . . .	34,757	40,819	36,500
Other countries . . . . .	42,478	21,268	35,284

### EXPORTS BY COMMODITIES

In dealing with exports under this heading it is necessary to take into consideration the tremendous transit trade in merchandise of foreign origin that flows through the entrepot ports of the Straits Settlements. Thus in the export statistics of the territory are found figures relating to export shipments of products, e.g. piece-good and rice, which are not of domestic origin. Consequently, the appended table is divided into two sections: "A" relating to exports of Malayan origin, and "B" relating to exports which are largely (although not necessarily entirely) re-exports:—

*Exports of British Malaya by Commodities**Table A: Exports*

	1938		1939	
	Tons	S\$1,000	Tons	S\$1,000
Rubber . . . . .	526,911	272,981	553,324	374,141
Tin . . . . .	61,187	96,339	82,089	158,320
Pineapple . . . . .	73,169	7,263	84,603	9,928
Palm oil . . . . .	54,510	6,240	59,779	5,918
Coconut oil . . . . .	49,502	5,647	61,898	7,226
Jelutong . . . . .	7,589	4,082	5,196	2,527

*Table B: Largely Re-exports*

	1938		1939	
	Tons	S\$1,000	Tons	S\$1,000
Copra . . . . .	186,271	12,494	157,430	10,468
Rice . . . . .	202,976	13,389	165,474	10,230
Areca nuts . . . . .	89,189	10,446	91,139	9,526
Fish, dried and salted . . . . .	52,041	7,468	55,944	7,567
Sago . . . . .	49,711	2,578	70,981	5,032
	Yards		Yards	
Cotton piece-goods . . . . .	26,454,952	3,385	22,096,149	3,047
	Tons		Tons	
Tapioca . . . . .	23,869	1,608	23,234	1,736
Rattan . . . . .	8,098	1,399	8,486	1,611
Gum damar . . . . .	8,644	1,114	11,007	1,379

In 1939 rubber and tin together accounted for 72·3 per cent of Malaya's exports (rubber 50·8 and tin 21·5 per cent), while in 1938 these two major export commodities represented only 65 per cent (rubber 48 and tin 17 per cent).

## EXPORTS TO CANADA

Exports to the Dominion during the year under review were valued at \$28,474,195 (Can.\$15,091,323), or 61·9 per cent more than the \$17,590,783 (Can.\$9,675,000) worth of merchandise shipped in 1938. The principal commodities, with the quantity and value in each case, were: rubber (30,758 tons, \$20,939,719); tin (1,876 tons, \$3,609,963); palm oil (24,100 tons, \$2,362,113); tinned pineapple (9,201 tons, \$1,116,645). Other products making up the balance included sago, tapioca, curry stuffs, fruit juices, black and white pepper, scheelite (tungsten ore), gum copal, gum damar, coconut oil, rattans, cutch and "linatex".

The foregoing figures do not include shipments of tin, spices, oils and gums, which find their way indirectly to Canada through such centres as London and New York.

## IMPORTS

Imports of merchandise into British Malaya during 1939 amounted in value to \$620,619,000 (Can.\$328,928,000) as compared with \$546,610,000 (Can.\$289,703,000) in 1938, an increase of \$74,009,000 (Can.\$39,225,000), or 14·5 per cent. The principal country of origin was Netherlands India, which shipped large quantities of rubber for subsequent re-export and was the source of 31·13 per cent of the total merchandise imports (27·5 per cent in 1938). British Empire countries, excluding the United Kingdom, accounted for 19·69 per cent (19·8), while the United Kingdom ranked as the third most important source of supply with 14·63 per cent (18·3). Imports from Continental European countries accounted for 4·59 per cent (4·8), those from United States for 2·93 per cent (3·1), while Japan's share was 2·01 per cent (2·3). Merchandise imports

by countries of origin for 1939, with comparative figures for the two previous years, are shown in the table hereunder:—

*Imports into British Malaya by Countries of Origin*

	1937	1938	1939
	Figures in 1,000 Straits Dollars		
Total . . . . .	686,200	546,610	620,619
Netherlands India . . . . .	220,054	154,229	193,174
British Empire countries (exclud. United Kingdom) . . . . .	117,616	110,418	122,191
United Kingdom . . . . .	105,959	102,332	90,801
Continental Europe . . . . .	39,133	26,008	28,506
United States . . . . .	15,907	17,125	18,198
Japan . . . . .	40,482	12,426	12,480
All other countries . . . . .	147,049	124,072	155,269

IMPORTS FROM CANADA

Imports from Canada amounted in value to \$5,247,133 (Can.\$2,780,980), an increase of 5·8 per cent over the value for 1938 of \$4,960,354 (Can.\$2,728,200). Quantities and values of the principal items comprising these totals are shown in the following table:—

*Principal Imports from Canada*

	1938	1939
	S\$	S\$
Motorcars, personal . . . . .Units	1,443	1,657
Motorcars, commercial . . . . .Units	1,457	946
Rubber tires, motor-car . . . . .Units	30,764	31,325
Motor-car parts . . . . .	196,942	234,496
Milk, powdered . . . . .Ton	63	108.6
Milk, evaporated . . . . .Case	31,686	23,276
Fertilizers, nitrogenous . . . . .Ton	....	1,012
Electrical apparatus, other than mach'y . . . . .	36,079	45,668
Sauces . . . . .Gal.	9,758	12,607
Sawn lumber, not teak . . . . .Ton	72	473.8
Canned fish (salmon) . . . . .Ton	42	56.1
Canned fish (sardines) . . . . .Ton	88	39.4
Inner tubes, motor-car . . . . .Unit	8,226	9,295
Potatoes, fresh . . . . .Ton	355	267
Rubber manufactures, n.o.p. . . . .	15,284	20,018
Oilcloth and linoleum . . . . .Yd.	15,668	65,439
Fish, fresh . . . . .Ton	20.4	22.6
Machinery belting . . . . .Cwt.	430	273.4
Electric batteries and accumulators . . . . .Unit	4,342	1,748
Stationery supplies, other than paper . . . . .	6,875	13,885
Vegetables, canned . . . . .Ton	53	35.6
Typewriters . . . . .Unit	13	120
Rubber tires, motor-cycle . . . . .Unit	1,691	2,460
Newsprint in rolls . . . . .Ton	31.7	91.7
Milled cereals . . . . .Cwt.	320	286
Hay and chaff . . . . .Ton	116	96.2
Underwear, cotton . . . . .Doz.	549	547
Chocolates, packaged . . . . .Lb.	7,762	6,284
Wheat flour . . . . .Ton	46.4	55
Wrapping paper . . . . .Ton	31.7	43.8
Paints and enamels . . . . .Cwt.	57	183
Patent medicines . . . . .	4,567	5,088
Cosmetics . . . . .	3,373	4,080
Fruit, fresh . . . . .Ton	83	13.5
Miscellaneous woodenware . . . . .	20,665	3,644
Fruit, preserved in tins or bottles . . . . .Ton	1.9	2.7
Silk stockings . . . . .Doz. Pr.	198	270
Aluminium ware . . . . .Ton	3.6	2.5
Chemicals (n.o.p.) . . . . .Cwt.	61.3	163
Dredge parts . . . . .	....	2,920
Lamps and lanterns (not electrical) . . . . .	5,070	2,749
Dressed leathers . . . . .Cwt.	3.4	7.2
Gas mantles . . . . .Gross	200	293
Canned fish, n.o.p. . . . .Ton	71	0.8
Milk, condensed and sweetened . . . . .Case	100	200
Jams and jellies . . . . .Ton	2	1,287
Biscuits . . . . .Cwt.	....	21.8
Sports equipment, n.o.p. . . . .	1,992	725
Wire netting . . . . .Ton	2.4	0.4



## NOTES ON IMPORTS OF INTEREST TO CANADA

In the appended notes, Canada's share of the trade in the commodity concerned is compared with the shares of the other principal suppliers; all figures are for 1939, those for 1938 being shown within parentheses:—

*Milled Cereals.*—Total, 49,987 cwt., \$646,363 (45,735 cwt., \$563,180): China, 46·4 per cent; United States, 27·2; United Kingdom, 18; Hong Kong, 3·5; Canada, 1·5; Japan, 1·5; Australia, 1·1. Canada supplied 286 cwt. valued at \$9,631 (320 cwt., \$9,291).

*Wheat Flour.*—Total, 74,672 tons, \$4,827,863 (64,849 tons, \$5,147,418): Australia, 88·2 per cent; India, 10. Canada supplied 55·1 tons valued at \$6,438 (46·4 tons, \$6,325).

*Hay and Chaff.*—Total, 1,144 tons, \$76,914 (1,257 tons, \$90,825): Australia, 84·6 per cent; Canada, 12·3; Union of South Africa, 1·7. Canada's share was 96·2 tons valued at \$9,514 (116 tons, \$11,937).

*Biscuits.*—Total, 12,589 cwt., \$734,560 (13,773 cwt., \$763,752): United Kingdom, 48·8 per cent; Ireland, 35·4; Australia, 7·6; Hong Kong, 5; Holland, 1·03. Canada supplied 21·8 cwt. valued at \$1,116 (nil).

*Chocolates, Packaged.*—Total, 681,423 pounds, \$386,373 (673,959 pounds, \$407,708): United Kingdom, 62·7 per cent; Belgium, 12·5; United States, 11·8; Holland, 4; France, 3·2; Canada, 1·7 per cent, being 6,284 pounds valued at \$6,749 (7,762 pounds, \$7,160).

*Dry Salted Fish.*—Total, 51,220 tons, \$7,030,905 (50,808 tons, \$7,154,413): French Indo-China, 51·6 per cent; Thailand, 25·4; China, 10·2; Netherlands India, 8·1; Sarawak, 1·2.

*Fresh Fish.*—Total, 4,211 tons, \$988,272 (5,080 tons, \$1,201,707): Sumatra, 83·5 per cent; United Kingdom, 6·6; Thailand, 5·6; Canada, 1·9 per cent, consisting of 22·6 tons valued at \$19,348 (20·4 tons, \$16,495); Australia, 1·4.

*Canned Sardines.*—Total, 2,584 tons, \$724,061 (3,048 tons, \$829,421): United States, 70·2 per cent; Japan, 21·4; Canada, 3·2; Norway, 2·4; Portugal, 2·2. Canada supplied 39·4 tons valued at \$23,360 (88 tons, \$43,649).

*Canned Salmon.*—Total, 94·6 tons, \$58,793 (80 tons, \$50,172): Canada, 41·3 per cent; United States, 33·3; Alaska, 20·6; Japan, 2·3; United Kingdom, 1·6. Canada supplied 56·1 tons valued at \$24,287 (42 tons, \$16,384).

*Canned Fish, n.o.p.*—Total, 802·5 tons, \$438,843 (589 tons, \$320,304): Mexico, 67 per cent; China, 10·4; United States, 9·8; Japan, 4·9; United Kingdom, 2·6; Norway, 1·2; Hong Kong, 1·1. Canada supplied 0·75 ton valued at \$1,839 (71 tons, \$25,091).

*Fresh Fruit.*—Total, 18,555 tons, \$2,827,393 (20,190 tons, \$3,012,096): China, 34·1 per cent; Australia, 26·2; United States, 23·7; Netherlands India, 7; Thailand, 4·2; British India, 1·3; Palestine, 1; Canada, 0·12. Canada supplied 13·5 tons valued at \$3,710 (83 tons, \$24,729).

*Bottled Fruit.*—Total, 953·8 tons, \$267,182 (1,081 tons, \$277,075): United States, 41 per cent; China, 38·3; United Kingdom, 8·3; Australia, 6·3; Hong Kong, 2·1; Canada, 1·3. Canada supplied 2·7 tons valued at \$3,586 (1·9 ton, \$2,653).

*Jams and Jellies.*—Total, 260·4 tons, \$122,818 (269 tons, \$121,231); United Kingdom, 54·9 per cent; Australia, 38·2; United States, 1·3; New Zealand, 1·5; Canada, 1 per cent, consisting of 1·8 ton valued at \$1,287 (2 tons, \$1,215).

*Condensed and Sweetened Milk.*—Total, 1,407,749 cases, \$9,439,434 (1,457,160 cases, \$9,017,302): United Kingdom, 36·7 per cent; Netherlands, 28·1; Australia, 24·9; Japan, 3; New Zealand, 2·9; Switzerland, 2·8; Denmark, 1·3. Canada supplied 200 cases valued at \$1,345 (100 cases, \$672).

*Evaporated Milk.*—Total, 107,601 cases, \$728,895 (113,647 cases, \$726,325): United Kingdom, 46·2 per cent; Canada, 23·8; Netherlands, 17·3; New Zealand, 6·4; Denmark, 5·1. Canada supplied 23,276 cases valued at \$173,290 (31,686 cases, \$209,578).

*Powdered Milk.*—Total, 641 tons, \$798,349 (412 tons, \$570,026): United Kingdom, 41·2 per cent; Canada, 22·6; United States, 21·9; Australia, 9·6; New Zealand, 2·8. Canada supplied 108·6 tons valued at \$180,949 (63 tons, \$103,536).

*Sauces.*—Total, 338,077 gallons, \$275,524 (316,992 gallons, \$236,536): China, 55·3 per cent; United Kingdom, 12·8; Canada, 11·9; Japan, 5·9; United States, 5·3; Hong Kong, 2·7. Canada supplied 12,607 gallons valued at \$32,846 (9,758 gallons, \$22,203).

*Canned Vegetables.*—Total, 2,098·7 tons, \$538,736 (1,894 tons, \$463,564): China, 39·1 per cent; United States, 15·9; Belgium, 12·1; United Kingdom, 10·4; France, 7·1; Hong Kong, 5·2; Canada, 2·5 per cent, made up of 35·6 tons valued at \$13,363 (53 tons, \$17,061).

*Potatoes.*—Total, 15,304 tons, \$925,647 (15,821 tons, \$867,756): Japan, 21·1 per cent; Netherlands, 15·1; Netherlands India, 12·1; Burma, 10·4; China, 8·9; Egypt, 7·9; British India, 2·5; Canada, 2·3 per cent, consisting of 267·6 tons valued at \$21,854 (355 tons, \$24,818).

*Sawn Lumber (Other than Teak).*—Total, 2,365·8 tons of 50 cubic feet, \$110,530 (2,998 tons, \$148,061): Thailand, 57·3 per cent; Canada, 21·9, made up of 473·8 tons of 50 cubic feet valued at \$24,314 (72 tons, \$4,320); North Borneo, 7·4; Australia, 5·8; Sarawak, 4·5.

*Steel Bars, Rods, Angles, Shapes and Sections.*—Total, 44,833 tons, \$4,005,284 (25,567 tons, \$3,115,987): Australia, 63·1 per cent; Belgium, 17·1; United Kingdom 9·8; Luxembourg, 4·7; United States, 1·8; Poland, 1·2.

*Wire Netting.*—Total, 932 tons, \$220,849 (\$77 tons, \$219,330): Germany, 70·8 per cent; Italy, 9·7; Netherlands, 7·6; United Kingdom, 5; Belgium, 4·7. Canada supplied 0·4 ton valued at \$224 (2·4 tons, \$1,292).

*Aluminium Ware.*—Total, 277 tons, \$410,665 (303 tons, \$449,152): China, 30·9 per cent; Burma, 28·8; Germany, 17·1; United Kingdom, 9·7; Switzerland, 5·3; Japan, 2·1; Canada, 0·8 per cent, consisting of 2·5 tons valued at \$3,208 (3·6 tons, \$5,309).

*Pig Lead.*—Total, 624·4 tons, \$84,945 (304 tons, \$43,117): Burma, 92·2 per cent; United Kingdom, 7·4.

*Electric Batteries and Accumulators.*—Total, 36,059 units, \$235,170 (46,588 units, \$281,610): United Kingdom, 65·4 per cent; United States, 11·4; Germany, 7·9; Australia, 7·6; Canada, 6·5 per cent, made up of 1,748 units valued at \$15,245 (4,342 units, \$30,229).

*Electrical Apparatus (Other than Machinery).*—Total, \$798,785 (\$996,462): United Kingdom, 68·6 per cent, United States, 13·6; Canada, 5·7 per cent, with a value of \$45,663 (\$36,079); Germany, 5·2; Australia, 3·4; France, 1·3.

*Dredge Parts and Materials.*—Total, \$7,222,050 (\$7,660,879): United Kingdom, 80·1 per cent; Australia, 10·9; United States, 6·9; Netherlands, 1·7.

*Typewriters.*—Total, 3,628 units, \$342,675 (3,197 units, \$281,780): United States, 69·1 per cent; United Kingdom, 23·4; Canada, 3·1 per cent, made up of 120 units valued at \$10,467 (13 units, \$1,953); Switzerland, 2·5, Germany, 1·4.

*Silk Stockings.*—Total, 14,455 dozen pairs, \$90,774 (16,232 dozen pairs, \$106,630): United Kingdom, 41·2 per cent; United States, 37·7; Japan, 9·4; Canada, 3·9 per cent, made up of 270 dozen pairs valued at \$3,565 (198 dozen pairs, \$2,108); China, 3·2; Czechoslovakia, 2·1.

*Underwear of Cotton.*—Total, \$1,032,666 dozen, \$2,221,692 (782,737 dozen, \$1,927,871): Hong Kong, 60·3 per cent; Japan, 19; China, 10·2; United Kingdom, 5·3; United States, 4·1. Canada supplied 547·7 dozen valued at \$7,556 (549 dozen, \$7,649).

*Chemicals, n.o.p.*—Total, 100,248 cwt., \$1,432,497 (70,692 cwt., \$1,700,041): United Kingdom, 46·2 per cent; United States, 23; Germany, 9·9; Belgium, 5·5; Australia, 3·6; China, 1·9; Norway, 1·4; Sweden, 1·3; Hong Kong, 1. Canada supplied 163 cwt. valued at \$3,107 (61·3 cwt., \$4,734).

*Patent Medicines.*—Total, \$2,873,689 (\$2,924,497): United Kingdom, 32·9 per cent; China, 22; Germany, 13·1; United States, 13; Australia, 6·8; Hong Kong, 5·9; Japan, 1·7; British India, 1·7; France, 1·1. Supplies from Canada were valued at \$5,088 (\$4,567).

*Paints and Enamels.*—Total, 34,374·2 cwt., \$1,061,726 (32,982 cwt., \$990,149); United Kingdom, 70·6 per cent; China, 10·6; United States, 8; Hong Kong, 4·9; Netherlands India, 3. Canada supplied 183·2 cwt. valued at \$6,160 (57 cwt., \$4,888).

*Dressed Leathers.*—Total, 2,158·6 cwt., \$333,448 (1,684 cwt., \$333,704): Thailand, 25·6 per cent; British India, 17·6; Netherlands India, 13; Australia, 12·7; United States, 12; Hungary, 5·1; Germany, 5·1; United Kingdom, 4·3. Canada supplied 7·2 cwt. valued at \$2,384 (3·4 cwt., \$1,439).

*Wrapping Paper.*—Total, 3,159·9 tons, \$629,153 (3,871 tons, \$779,210): China, 70·7 per cent; Sweden, 8·8; United Kingdom, 6·1; Germany, 2·8; Norway, 1·7; Czechoslovakia, 1·6; Hong Kong, 1·5. Canada supplied 43·8 tons valued at \$6,259 (31·7 tons, \$5,482).

*Newsprint in Rolls.*—Total, 5,622·4 tons, \$530,278 (4,815 tons, \$547,267): Finland, 43 per cent; Sweden, 29·1; Norway, 24·8; Canada, 2 per cent, made up of 91·7 tons valued at \$10,179 (31·7 tons, \$8,640).

*Newsprint in Sheets.*—Total, 2,122·2 tons, \$232,977 (1,561 tons, \$216,397): Norway, 29·3 per cent; Germany, 25·2; Finland, 24·2; Sweden, 14·2; United Kingdom, 2·3; Italy, 2·1.

*Other Printing Papers.*—Total, 2,418·4 tons, \$453,835 (2,205 tons, \$521,794): United Kingdom, 37·5 per cent; Germany, 29·3; Netherlands, 7·5; Japan, 7·3; Norway, 6; Belgium, 3·4; United States, 2·5; Finland, 2·3; Sweden, 2·2.

*Machinery Belting.*—Total, 1,218·1 cwt., \$140,075 (1,964 cwt., \$228,249): United Kingdom, 65·2 per cent; Canada, 11 per cent, consisting of 273·4 cwt. valued at \$15,462 (430 cwt., \$22,740); United States, 10·1; Australia, 7·5; Germany, 3·1; Japan, 2·6.

*Oilcloth and Linoleum.*—Total, 430,180 yards, \$207,711 (346,525 yards, \$192,137): United Kingdom, 53·9 per cent; United States, 29; Canada, 9·6; Poland, 4·6; France, 2·2. Canada supplied 65,440 yards valued at \$20,007 (15,668 yards, \$8,495).

*Cosmetics.*—Total, \$987,015 (\$874,909): United Kingdom, 39·5 per cent; Hong Kong, 18·5; United States, 15·4; China, 9·7; British India, 8·7; France, 3·7; Germany, 1·5. Imports from Canada were valued at \$4,080 (\$3,373).

*Sports Equipment, n.o.p.*—Total, \$144,836 (\$159,076): United Kingdom, 69·7 per cent; United States, 10·6; British India, 8·6; China, 4·3; Japan, 3·5; Germany, 1·3; Australia, 1·3. Supplies from Canada were valued at \$725 (\$1,992).



*Commercial Motor Cars.*—Total, 1,460 units, \$1,830,936 (1,962 units, \$2,290,143): Canada, 53.3 per cent; United Kingdom, 27.2; United States, 18; Germany, 1.5. Canada supplied 946 units valued at \$975,365 (1,457 units, \$1,525,307).

*Private Motor Cars.*—Total, 4,833 units, \$6,030,824 (4,344 units, \$5,570,741): United Kingdom, 55.4 per cent; Canada, 35.8; United States, 3.8; Italy, 3.6; Germany, 1. Canada supplied 1,657 units valued at \$2,156,854 (1,443 units, \$1,664,416).

*Motor Car Parts.*—Total, \$1,565,104 (\$1,527,596): United States, 46.6 per cent; United Kingdom, 28.2; Canada, 15; Germany, 5.7; Australia, 2.3; Italy, 1.6. Imports from Canada were valued at \$234,496 (\$196,942).

*Rubber Tires.*—Total, 109,781 units, \$1,705,751 (119,120 units, \$1,771,403): United Kingdom, 46.6 per cent; Canada, 30.2; United States, 9.8; Netherlands India, 8.2; Czechoslovakia, 3.6; Germany, 1.2. Canada supplied 31,325 units valued at \$515,895 (30,764 units, \$525,024).

*Motor-cycle Tires.*—Total, 7,269 units, \$29,174 (4,000 units, \$14,489): Canada, 35.3 per cent; United Kingdom, 30.6; France, 27.9; Italy, 5. Canada supplied 2,460 units valued at \$10,320 (1,691 units, \$6,403).

*Inner Tubes.*—Total, 64,245 units, \$129,593 (67,223 units, \$127,838): United Kingdom, 62.2 per cent; Canada, 17.2; Netherlands India, 8.6; United States, 6.9; Czechoslovakia, 3.2; Germany, 1.8. Canada supplied 9,295 units valued at \$22,227 (8,226 units, \$19,533).

*Rubber Manufactures, n.o.p.*—Total, \$330,698 (\$281,013): United Kingdom, 38.3 per cent; Germany, 20.9; United States, 15.8; Japan, 8.4; Netherlands India, 6.8; Canada, 6.1; Australia, 1.3. Imports from Canada were valued at \$20,108 (\$15,284).

*Brushes, n.o.p.*—Total, 48,980 dozen, \$66,943 (32,991 dozen, \$66,327): United Kingdom, 43.8 per cent; China, 29.6; Germany, 16; Netherlands, 5.4; Japan, 2.7.

*Gas Mantles.*—Total, 4,894 gross, \$31,269 (5,298 gross, \$47,170): Germany, 44.9 per cent; China, 24.3; United Kingdom, 20.9; Canada, 6.4; United States, 2.3; Sweden, 1. Canada supplied 293.8 gross valued at \$2,000 (200 gross, \$1,382).

*Lamps and Lanterns, not Electric.*—Total, \$262,236 (\$219,566): Germany, 44 per cent; China, 21.3; Japan, 15.9; United Kingdom, 8.5; Hong Kong, 3.4; Sweden, 2.9; United States, 2.5; Canada, 1.4. Imports from Canada were valued at \$2,749 (\$5,070).

*Stationery Supplies (Other than Paper).*—Total, \$457,682 (\$422,062): United Kingdom, 42.8 per cent; United States, 19.6; Germany, 16.8; China, 9.3; Japan, 4; Canada, 3; Italy, 2.2. Canada's share was valued at \$13,885 (\$6,875).

*Miscellaneous Woodenware.*—Total, 361,708 (\$415,132): United States, 41.7 per cent; China, 16.5; Hong Kong, 12.8; United Kingdom, 9.2; Japan, 6.7; Poland, 3.4; Sweden, 2.2; Czechoslovakia, 1.8; Germany, 1.3; Canada, 1. Imports from Canada were valued at \$3,644 (\$20,665).

*Fertilizers, Nitrogenous.*—Total, 29,362.4 tons, \$2,117,506 (31,157 tons, \$2,208,568): United Kingdom, 82.7 per cent; Germany, 6.6; Canada, 3.4; Poland, 3.2. Canada supplied 1,012 tons valued at \$72,686 (nil).

Further information concerning any of the above items will be supplied upon request to interested Canadian firms by the Canadian Trade Commissioner, Singapore.

## BRIEF FACTS AND COMMENT ON FOREIGN TRADE

### GREAT INCREASE IN TRINIDAD'S IMPORTS FROM CANADA

During recent years the value of Trinidad's imports from Canada has increased between \$500,000 and \$1,000,000 per annum, except in 1938 when there was a slight decline. In 1940 the value of imports from Canada attained a total of \$9,626,638 as compared with \$5,039,903 in 1939, an increase of 91 per cent.—*Acting Trade Commissioner, Port of Spain.*

### CONTINUE TO BE SOURCE OF SUPPLY

No matter how deeply Australia may go into production for war, the fact remains that there are seven million civilians in Australia whose elementary needs and simple necessities must be met and supplied. Undoubtedly these will be met and supplied to an increasing extent—in many directions permanently—from Australian sources. But Australia will always have to import some commodities. As export from the United Kingdom will be increasingly difficult as the United Kingdom's war effort expands still further, Canada should become of increasing importance as a source of supply.—*Canadian Trade Commissioner, Melbourne.*



## CENTRAL AND NORTH CHINA TARIFFS

There were no tariff changes of any importance during 1940 in the territory covered by the Canadian Trade Commissioner at Shanghai.—*Assistant Trade Commissioner, Shanghai.*

## CANADIAN PRODUCTS WANTED IN SAINT-PIERRE-ET-MIQUELON

The British Vice-Consul at Saint-Pierre, Saint-Pierre-et-Miquelon, reports the opening of a business firm in Saint-Pierre on a co-operative basis. The capital invested in this business is small but it is anticipated that the annual turnover will approximate \$50,000. Monsieur F. Olano, who has organized this co-operative business, is a man of good standing and Canadian firms desirous of marketing their goods in Saint-Pierre-et-Miquelon should send catalogues, price lists, etc., to him as soon as possible. The following is a detailed list of the products required:—

Table and cooking butter.

Cheese.

Margarine.

Evaporated and condensed milk in small and large tins (6 to 16 ounces).

Oats, wheat and other grains, wheat flour, meal for poultry and cattle.

Honey.

Dried peas, potatoes, cabbages, turnip cabbages, carrots and onions.

Canned beans, peas, beets, tomatoes, salmon, sardines, tuna fish, pilchards, apricots, strawberries, raspberries and peaches.

Tea, coffee, chicory.

Alimentary pastes, peanut butter, jams, jelly powders.

Mustard, pickles, catsup.

Household and toilet soaps.

Pork products: in barrels, sausages, lard in quantities of 1, 10 and 20 pounds.

Corned and pickled beef.

Common pharmaceutical products.

Boots and shoes.

Requisites for cod fishermen: boots, waterproof coats, fishing lines Nos. 3 and 4.

Wrapping paper, paper bags, twine, typewriter and duplicator paper.

Coal.

Hay.

## FOREIGN EXCHANGE CONTROL REGULATIONS FOR EXPORTS

## CONSOLIDATION OF FORMS

Consolidation of Forms B and D of the Foreign Exchange Control Board and the present Customs Export Entry Form B. 13 in a new form to be brought into use on May 1, was announced by the Foreign Exchange Control Board in its Public Circular No. 11 dated April 24. This consolidation, it is stated, has been made with a view to further simplification of forms and routine procedure. The new form is designated "Form B. 13 (Customs) Combined with Form B (F.E.C.B.)", but will be referred to in instructions of the Board simply as "Form B".

The new combined Form B, states Public Circular No. 11, is a Customs Export Entry Form and, when stamped and signed by a Collector of Customs, is also, subject to the Foreign Exchange Control Order and Regulations, a licence from the Foreign Exchange Control Board for the export of goods from Canada. All exporters of goods from Canada, therefore, on and after May 1 will use the new form, the procedure whereby BE permit holders use Customs Export Entry Form B. 13 and all other exporters use the Board's Form B being discontinued. However, in order to allow shippers at remote points time to obtain supplies of the new form, Collectors of Customs and Excise may at their discretion, until June 1, 1941, permit such exporters to use the present Forms B, D and B. 13 in accordance with existing instructions.

## CONTROL OF EXPORTS FROM CANADA

### ARTICLES EXEMPT FROM PERMIT WHEN EXPORTED TO BRITISH EMPIRE AND UNITED STATES

By order of Hon. James A. MacKinnon, Minister of Trade and Commerce, made under authority of Order in Council P.C. 2448, effective May 5, export permits will not be required for the following articles when exported to the British Empire and the United States:—

Douglas fir saw logs.  
Bolts, nuts and screws.  
Nails and staples.  
Fertilizers.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### RECENT RULINGS ON CUSTOMS (IMPORT LICENSING) REGULATIONS

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, March 28, 1941.—The following changes and additions have recently been made in the Australian Customs (Import Licensing) Regulations:—

#### SHIPMENT OF GOODS WHERE NO LICENCES HAVE BEEN ISSUED

The Minister for Trade and Customs has issued a warning to importers against ordering merchandise from non-sterling countries before receiving the requisite import licence.

In certain cases importers have arranged for shipment from overseas suppliers in anticipation of receiving licences before the merchandise lands in Australia. This is a very dangerous practice, because, if the licence for any reason should be held up, the merchandise so ordered is subject to confiscation whether or not a licence for the same merchandise is subsequently issued. Canadian exporters should, therefore, make certain that their agents in Australia hold licences for all orders submitted.

#### GOODS LOST IN TRANSIT

In the case of merchandise shipped from non-sterling countries to Australia and covered by import licences, it is to be emphasized that in the event of such merchandise being lost it is necessary to obtain duplicate licences before replacement shipments can be made.

The Government is not compelled to issue such replacement licences, and Canadian exporters should be careful not to duplicate shipments on their own initiative, but must make certain that their agents in Australia hold the requisite replacement licences.

#### ESSENTIAL DRUGS

A previous instruction exempted a large number of essential drugs from the provisions of the import licensing regulations. This direction has now been amended by a statement to the effect that such licences are to be issued freely only when the druggist declares on his application form that such drugs will be used or sold for pharmaceutical purposes only.

#### MOTOR VEHICLE CHASSIS

A previous regulation concerning the importation of motor-car and truck chassis provided that importation had to be spread out over the twelve-month

period. From now on this regulation is to apply to car chassis only and not to truck chassis. Hence the whole of an importer's truck quota may be imported at the importer's discretion during the period May 1, 1941, to April 30, 1942.

### DEFERRED DUTIES ON IRON AND STEEL HOOP

With reference to the notification on page 739 of *Commercial Intelligence Journal* No. 1922 (November 30, 1940), as to the deferment until April 1, 1941, of the increase of duties under Australian customs tariff item No. 136F2, "Iron and steel hoop, not elsewhere included in the tariff," a Tariff Decision issued on March 22, 1941, further postponed the higher duties until April 1, 1942.

### ADDITIONAL IMPORT RESTRICTIONS

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, April 10, 1941.—In making an announcement on the licensing period commencing April 1, 1941, the Minister for Trade and Customs pointed out that an extension of restrictions was necessary for the following reasons:—

1. The position of Australia's overseas balance of payments, which have been impaired by (a) the difficulty of delivering exports because of a shipping shortage, and (b) the demands made by war expenditures.
2. The need for making the best use of available shipping.
3. The need for a more rapid transfer from production for civil needs to production for war purposes.

In most instances the restrictions have come about gradually, and where a product is now 100 per cent restricted it is not necessarily entirely the result of this latest schedule. No new features were introduced on April 1, except that for the first time restrictions as low as 10 per cent will apply. (Details of the goods affected were published in the two last issues of the *Commercial Intelligence Journal*.)

The new restrictions affect goods to the value of about £stg.1,750,000, and, added to restrictions already imposed since December 1, 1939, bring the total savings effected by the licensing regulations to approximately £stg.14,000,000. This total is exclusive of savings resulting from restrictions on imports of newsprint, petrol and raw silk. The Government has indicated that further restrictions on non-sterling imports will have to be imposed in the future, and that it will also be necessary to start restricting imports of a non-essential nature from sterling sources.

Figures just issued dealing with Australia's balance of trade record a favourable commodity balance of £stg.124,000 for the first nine months of the current financial year as compared with a favourable balance of £stg.4,264,000 for the corresponding period of last year. The decline in the favourable balance may be attributed largely to heavy overseas expenditure on war account, and it emphasizes the urgency of conserving the country's overseas funds.

### Australia-Southern Rhodesia Trade Agreement

A trade agreement between the governments of Australia and Southern Rhodesia, signed at Canberra on December 23, 1940, was introduced into the Australian Parliament on March 26, 1941.

Heretofore products of Southern Rhodesia imported into Australia were normally given "most-favoured-nation" treatment, that is, intermediate rates of duty under a considerable number of tariff items and general tariff rates on



the remainder. Under the new agreement unmanufactured tobacco produced in Southern Rhodesia will be admitted into Australia at a preferential rate of duty 9d. per pound lower than the British preferential tariff. Raw asbestos and chrome ore will not be subject to higher customs duties than are applicable to such commodities from any other country and will be free of primage duty.

Australian products imported into Southern Rhodesia have been subject to the rates applicable to like goods from other British Dominions, which are often the same as, though sometimes higher than, those accorded to the United Kingdom, but are lower as regards many articles than the rates to non-British countries. In the new agreement Southern Rhodesia undertakes to admit free of duty Australian butter; gelatine, glue, and hops, in bulk; seeds, bulbs, plants, trees, and tubers for planting; specified textile bags; cream separators; unspecified dairy utensils and machinery; specified fencing material; machinery; iron and steel in specified forms; fencing wire and netting; fertilizers; substances for use against stock pests or diseases; specified leather; unmanufactured rubber; plywood; pulpboard; unmanufactured wood. Rates lower than those applicable to the produce of the United Kingdom are to be accorded Australian biscuits; wheat; bottled, tinned and dried fruits; gelatine; jams, jellies, honey; jelly powders; condensed milk; ale; brandy; wines, blankets; rugs; unspecified medicinal preparations; boots and shoes; unspecified leather in the piece; sporting goods; toys. The rates accorded to the United Kingdom are to apply to specified confectionery, wheat flour, whisky, clothing, hats, metal baths and sinks, stoves, electrical cooking and heating appliances, and rubber manufactures, of Australian origin. Australia is also assured any lower rates of duty on wheat or flour that might be accorded by Southern Rhodesia to any country except Northern Rhodesia.

### Ireland

#### IMPORT QUOTAS FOR WOVEN WOOLLEN AND WORSTED TISSUES AND COTTON PIECE-GOODS

Mr. James Cormack, Canadian Government Trade Commissioner in Dublin, advises that, by two Orders of the Government of Eire, both dated March 25, 1941, further quotas and quota periods have been fixed for the importation into Eire of the following woven piece-goods:—

For woven tissues of wool and worsted exceeding 3s. per square yard in value, the quota for the period May 1 to October 31, 1941, is 700,000 square yards, of which total 690,000 square yards are to come from the United Kingdom or Canada. This quantity is the same as that fixed for the previous six months' period.

For cotton piece-goods which are terry, the quota for the three-month period May 1 to July 31, 1941, is 120,000 square yards, of which total 119,000 square yards are to come from the United Kingdom or Canada. The amount fixed for the previous three months' period was 90,000 square yards, of which 89,000 square yards were allocated to the United Kingdom or Canada.

### Northern Rhodesia

#### IMPORT LICENSING SYSTEM

With reference to the notice in *Commercial Intelligence Journal* No. 1931 (February 1, 1941), page 132, respecting import and exchange control in Northern Rhodesia, Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, has cabled that a Northern Rhodesia Proclamation, effective May, 3, 1941,

prohibits importation of all goods except under licence from the Comptroller of Customs. An open general import licence order issued by the Comptroller of Customs, however, authorizes the import of goods other than foodstuffs, motor vehicles, paper, aluminium, and iron and steel products from any part of the British Empire except Canada or Hongkong, and twenty-four specific items, including agricultural implements, shovels, mechanics' tools, mosquito screening, dairy utensils and flooring from all countries. Canadian building boards and tinned fish are allowed entry.

### **Grenada**

#### **RESTRICTIONS ON FLOUR, BUTTER AND SHOES**

A notice in the Grenada Government Gazette of January 11 stated that as from July 1, 1941, imports of wheaten flour from countries outside the sterling area would be restricted to 75 per cent of the imports for 1940 from each country outside the sterling area and that importers desiring to import in excess of that quantity must obtain their additional requirements from a sterling-area country. Another notice in the same issue of the Gazette announced that as from July 1, 1941, import licences for butter, butter substitutes and leather footwear for importation from countries outside the sterling area will not be granted.

### **Fiji**

#### **NEW LEAFLET FOR EXPORTERS**

The Department of Trade and Commerce has just issued a leaflet dealing with the importation of goods into Fiji, under the headings of value for duty, British preference (which is applicable to imports from Canada), conditions of preference, and invoicing. Interested Canadian exporters may obtain copies on application to the Department.

### **United States**

#### **CANADIAN COAL, COKE AND BRIQUETS EXEMPT FROM REVENUE TAX**

A United States Treasury Decision (T.D. 50368) issued April 9, 1941, continues to December 31, 1941, exemption from the tax of 10 cents per 100 pounds provided for in Section 3423 of the Internal Revenue Code on coal, coke and briquets imported from Canada. Section 3420 of the United States Internal Revenue Code states that in addition to any other tax or duty there shall be imposed upon the articles in Section 3423 imported into the United States, unless treaty provisions of the United States otherwise provide, a tax at rates specified. Section 3423 reads:—

Coal of all sizes, grades, and classifications (except culm and duff), coke manufactured therefrom; and coal or coke briquets, 10 cents per 100 pounds. The tax on the articles described in this section shall apply only with respect to the importation of such articles, and shall not be imposed upon any such article if during the preceding calendar year the exports of the articles described in this section from the United States to the country from which such article is imported have been greater in quantity than the imports into the United States from such country of the articles described in this section.

Exemption during 1941 under section 3423 is also extended to France, including French Indo-China, and under 3420 to Belgium, China, Netherlands and the United Kingdom, also to the Union of Soviet Socialist Republics during the period January 1, 1941, to August 5, 1941.

The Treasury Decision states such fuels produced in or imported from Germany are subject to the tax.

The foregoing list of countries does not include countries from which there has been no importation of coal or allied fuels during the past two calendar years.

## Mexico

## PRICE CONTROL OF PRIME NECESSITIES

Mr. A. B. Muddiman, Canadian Trade Commissioner at Mexico City, reports that a law, reported in the Mexican press of March 21, establishes the National Distributing and Controlling Company Limited, whose principal object is to control prices of articles of prime necessity, or raw materials for the production of such articles. The purpose is to ensure reasonable prices for producers and consumers. The company may also regulate storage, transport, grading and financing of the goods it controls. It is granted a franchise in regard to subsidies for importation and exportation. The new company replaces the Committee for the Control of the Foodstuffs Market established in July, 1938.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 28, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 28, 1941, and for the week ending Monday, April 21, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 21	Nominal Quotations in Montreal Week ending April 28	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4-4½
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2645	.2645	3½
Switzerland . . . . .	Franc	.1930	.2575	.2573	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2281	.2280	3
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2609	.2603	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6337	.6326	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4496	.4481	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0567	.0568	—
Hongkong . . . . .	Dollar	.....	.2693	.2693	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Food Products.....	84	Leith, Scotland.....	Agency.
<b>Miscellaneous—</b>			
Bowling Shoes, for Men and Women.....	85	New York City, New York	Agency.
Garden Hose.....	86	Santiago, Chile.....	Purchase.
Motorcycle Accumulators.....	87	Ixtacalco, D.F., Mexico...	Agency.
Motorcycle Tires.....	88	Ixtacalco, D.F., Mexico...	Agency.
Artificial Silk Skeins.....	89	Mexico City, Mexico.....	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, and Turkey.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

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*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

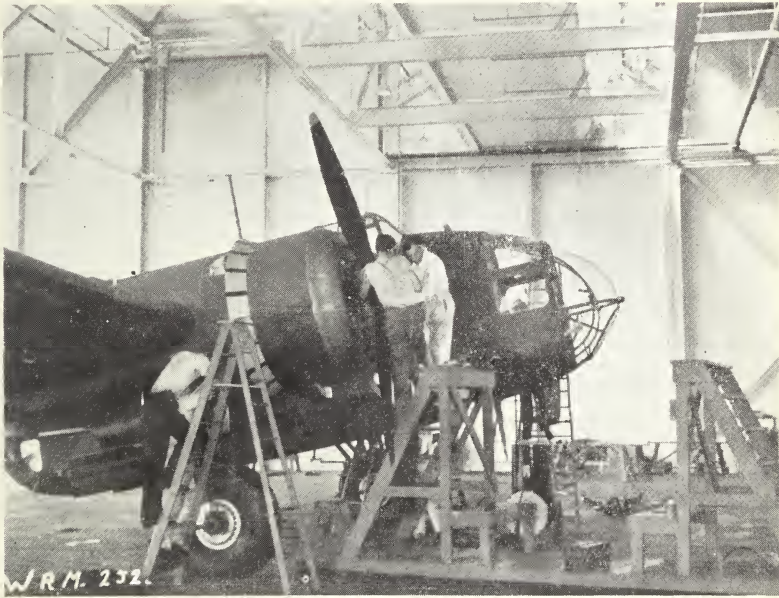


# COMMERCIAL INTELLIGENCE JOURNAL

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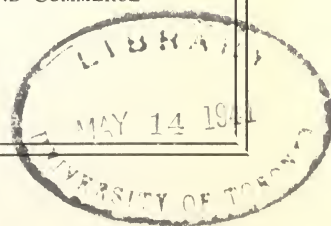
Workmen in a Canadian Aircraft Plant apply the final Touches  
to a Handley-Page Hampden Bomber

*Photo—Public Information*

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THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LXIV

Ottawa, May 10, 1941

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## UNITED KINGDOM SHIPPING UNDER WAR CONDITIONS

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, March 7, 1941 (delayed).—In view of the increasing importance to Canadian trade of the maintenance of shipping facilities, the review of the shipping situation contained in the annual report of the Chamber of Shipping of the United Kingdom for 1940-41 is of special interest to Canadian exporters.

The report states that once the policy of requisitioning had been determined the industry lent the fullest support to the Government in carrying out that policy in such a way as to secure the maximum benefit from the Mercantile Marine. During the year requisition, which had been applied to ocean trades of both liner (January 1, 1940) and tramp (January 4, 1940), was extended to the coasting and short-sea liner trades (October 15, 1940) and, more recently, to the whole of the ocean-going tanker tonnage (January 1, 1941).

The Chamber has also been concerned to assist the Ministry in their effort to speed up the turn-round of ships so as to secure the maximum use of available tonnage, and to ensure the least possible delay in effecting repairs either at home or abroad so that ships may be ready to put to sea again as quickly as possible.

### FREIGHTS

The freight market for ocean-going British shipping ceased to exist with the requisition of all classes of British tonnage, to which the only exception is now vessels employed in the coasting tramp trade, where, however, freights are controlled by the Government. Even before requisition, freights on ocean-going British shipping were subject to strict government control. Only charters entered into before the war were at free market rates and, as the owners had to bear the cost of war-risk insurance and detention, many of these contracts resulted in heavy loss.

For free neutral tonnage, however, an open freight market still exists and in contrast to British shipping such free neutral ships have received very high rates of freight. While the time charter rates paid to Allied ships by the British Government have been controlled, such rates have continued to be far in excess of those paid to British ships for the same service.

The homeward rate for grain from the River Plate serves as an illustration of the open freight market for neutrals. In the summer of 1939 the rate payable to British and foreign vessels dropped to 20s. per ton. The controlled rate for British vessels was 30s. in September, neutral freights then averaging 50s. By December, 1939, there had been great increases in operating expenses, particularly in war-risk insurance, and the British controlled freight was raised to 43s. 6d., the corresponding neutral freight rising to 65s. Since January, 1940, when British shipping was requisitioned, free neutral freights have risen from a minimum of 70s. to as much as 145s.



The course of tramp freights for the past twelve years is indicated in the following table, based upon the figure of 100 representing the level in 1929:—

*Index Number of Tramp Shipping Freights*

Year	Index No.	Year	Index No.
1929 . . . . .	100	1935 . . . . .	76½
1930 . . . . .	81	1936 . . . . .	89
1931 . . . . .	78	1937 . . . . .	130
1932 . . . . .	77	1938 . . . . .	92
1933 . . . . .	74	1939 . . . . .	159*
1934 . . . . .	74	1940 . . . . .	338†

\* British freights controlled from September to December.

† Neutrals only.

The time charter rate for 1940 available only to foreign vessels averaged about 25s. in the first quarter, about 23s. in the second quarter, 18s. in the third quarter and 20s. in the fourth quarter of 1940, an average for the year of about 21s. 6d. At these rates neutral owners paid for their own war-risk insurance.

The average time charter rate during 1937, when the market was free, was about 7s. The 1940 rate obtained by neutrals thus represents an increase of about 200 per cent as compared with 1937, an increase comparable with 160 per cent for the index numbers of neutral voyage freight rates.

On the other hand, as indicated, this increase in freights was largely offset by a heavy and continuous increase in running costs, including wages, stores, provisions, insurance and, in particular, the high cost of war-risk insurance, which has risen successively at intervals throughout the year.

#### INVISIBLE SHIPPING EXPORTS

Shipping services form an important part of the exports of the United Kingdom and play an important part in paying for imports. In war time freights rapidly increase because of increase in costs. These increases apply mainly to expenditure in the United Kingdom, and the contribution of shipping to the balance of payments, i.e., the total of gross freights less expenditure abroad, shows a large increase.

The Chamber of Shipping estimates that the industry in 1940 contributed £200,000,000 to the national budget, or about 100 per cent more than in 1939 and 75 per cent more than in 1937. It is claimed that this contribution covers about one-third of the 1940 adverse trade balance.

#### RUNNING COSTS

The Chamber states that it was inevitable that the war should increase costs. As regards wages, taking the rate for A.B.'s as a guiding rate, wage costs have increased over the pre-war wage of £9 12s. 6d. per month by 83·2 per cent. In addition, the cost of stores and provisions has greatly increased and is still rising. The cost of marine insurance, the excess of which over that in September, 1939, is refunded by the Ministry, has been successively increased. Repairs and surveys also show a heavy increase.

The cost of war-risk insurance is borne by the Government in respect of requisitioned vessels. This has increased from 2 per cent for 91 days, or 8 per cent per annum, to 7 per cent and 28 per cent respectively. Vessels not under requisition have to bear this cost.

There has been a further substantial increase in the cost of shipbuilding, whether for government or private account. As an example, a vessel which would have cost £120,000 immediately before the war cost £160,000 at the beginning of 1940. To-day no contract price can be obtained, so that no comparative figure can be given.

## TERMS OF REQUISITION

Throughout the year the Chamber was engaged in negotiating an agreement for rates of hire for requisitioned vessels. The rates have been based on the principle of covering average operating expenses with the addition of an allowance of 5 per cent for depreciation (6 per cent for tankers) and 5 per cent for interest on capital, calculated in the case of liners on the actual first cost, subject to certain variations in the case of old or second-hand vessels, and in the case of tramps and tankers on an agreed average value for each class of tonnage. The rates make no provision for reserves to meet replacement, nor do they contain any margin for contingencies. From the point of view of maintaining the industry, the Chamber considers that they are inadequate.

## SHIPPING POLICY

The Chamber of Shipping states that the attention of the Ministry of Shipping has been called to the difficulties with which the industry will find itself confronted at the end of the war, particularly in replacing vessels lost through marine or war risks or rendered obsolete by age and in meeting enhanced competition from foreign shipping. To meet these problems, it is contended, the industry requires a revenue sufficient to meet its expenses and to replace its plant, and relatively sufficient to keep it financially as strong as its competitors in the future. It must also be in a position to preserve not only its plant but its business connections.

It was recognized that in war time the State must control profits and could not avoid paying neutral or Allied shipowners a higher rate of remuneration than that which can be allowed to British shipowners. At the same time, it was pointed out that this must greatly strengthen the competitive power of foreign shipping after the war and weaken the resistance of British shipping to such competition. The Chamber therefore urged the Government so to regulate profits as to enable the industry—so far as possible from its own resources—to maintain and expand the British Mercantile Marine in the face of such post-war competition. It pointed out the need for attracting fresh capital to the industry and the necessity for meeting depreciation, of which large arrears have still to be made good, while in future the cost of building will inevitably be greatly increased, requiring a larger revenue out of which to meet it. The Chamber urged the Government to adopt a policy of "pay as you go" and to ensure to British shipowners a remuneration which would enable them to set aside the reserves required to maintain the volume of tonnage under the British flag; such reserves to be kept for that purpose and not absorbed either in taxation or in the payment of dividends.

The Ministry, however, were not prepared, in fixing rates of hire, to have regard to past deficiencies or future needs and decided that these could only be dealt with after the war in the light of the financial and other conditions then prevailing. The policy of the Government towards this question is enunciated in the following statement:—

"His Majesty's Government recognize that their predecessors in office in 1939 found it necessary to formulate a number of proposals for according financial assistance to British shipping which they invited Parliament to authorize by the British Shipping (Assistance) Bill, 1939. The progress of this legislation was interrupted by the outbreak of war, but the necessity of maintaining the British Mercantile Marine in adequate strength and in a position of full competitive efficiency is recognized no less strongly by His Majesty's Government to-day. They will, therefore, keep this question constantly in mind as one with which it will be necessary to ask Parliament to deal with in due course. The Tonnage Replacement Scheme is designed to go some way towards enabling ships lost by war risk to be replaced, but the scheme, which is a scheme of insurance, cannot, by its very nature, guarantee that funds will be available to the extent necessary to enable owners to replace after the war even those vessels which are lost through war risks, and it does not deal with the need of replacement which may arise from other causes."



## TOUR OF CANADA BY ANIMAL PRODUCTS TRADE COMMISSIONER

Mr. G. R. Paterson, Animal Products Trade Commissioner in the United Kingdom, has recently returned to Canada from London. Mr. Paterson will visit Toronto during the week commencing May 12 and centres in Central and Western Ontario, including Barrie, Guelph, Kitchener, Stratford, London, Hamilton, Belleville, Lindsay, Simcoe and Chatham, during the two following weeks. Visits to places in other parts of Canada will be arranged later. Mr. Paterson will be prepared to discuss export problems with exporters and producers' associations and to explain the current United Kingdom market situation as regards bacon, cheese, eggs, honey, processed milk, etc. Interviews with Mr. Paterson can be arranged by communicating with the Director, Commercial Intelligence Service, Department of Trade and Commerce.

## CONCENTRATION OF INDUSTRIES IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, March 5, 1941 (delayed).—With a view to producing the maximum war effort as rapidly as possible, a further step towards the total mobilization of the United Kingdom's industrial resources was yesterday announced by the President of the Board of Trade.

From the outbreak of war, the Government assumed virtual control of the industries directly supplying war needs. They have been reorganized in conformity with a common plan, and measures to accelerate the desired expansion of production have been practically completed.

The next step is the extension of government regulations to the other less essential branches of industry so that their operations may serve the national interests more fully. So far the only action taken in this direction has been the Limitation of Supplies Orders, which came into effect last summer. These Orders were reviewed in *Commercial Intelligence Journal* Nos. 1900 (June 29, 1940) and 1927 (January 4, 1941). Briefly, they reduced by fixed percentages the value of goods manufactured for civilian consumption.

In introducing the new proposals, which are of a drastic character, the President of the Board of Trade explained that the aim of the Government's economic policy is to facilitate the fullest possible transfer of resources to war production. This policy demands the severe cutting down of civil consumption and the release of labour, materials and factory space for more essential purposes. Substantial cuts have already been made and these may have to be extended. In particular, the Government is concerned with the group of industries manufacturing consumer goods covered by the Limitation of Supplies Orders, or by the rationing of raw materials for hosiery, pottery, the major textile industries, boots and shoes and some other goods. These industries provide the main sources of factory-trained labour for munitions, and their consumption of imported materials must be kept down to the minimum required to meet essential needs.

In their own interests these industries might wish that all their component firms should carry on with their remaining share of the trade in the hope that conditions might improve. From the point of view of the national interest, however, it is considered undesirable that cuts in civil consumption should be met by large-scale part-time working. A spread-over of this kind results in an uneconomical use of certain types of labour. It does not free the factory and storage space which will in many cases be needed for government use. The effect of a diminished turn-over on costs may, in some instances, have serious



repercussions on prices which the Government cannot ignore. Finally, it would be worse than useless for firms to allow their working capital to be eaten up in the vain hope that the position might become easier.

### CONCENTRATED PRODUCTION

The policy of the Government is, therefore, to concentrate production in a reduced number of factories working full time. These factories should be able to produce the output required for government orders, the greatest practicable export trade, and the minimum needs of the population, while at the same time preserving the goodwill of the factories closed down. The closed factories should be kept ready to start up again as soon as possible after the war. The departments concerned will then take all measures open to them to assist their speedy re-opening. Meanwhile, the Board of Trade will keep a record of factories closed down, and the Ministry of Labour a record of transferred workers, so that they may be able to resume their old employment after the war.

### SAFEGUARD OF LABOUR AND RAW MATERIAL

The Government will facilitate this concentration by granting to groups of undertakings which fulfil the necessary conditions special help to safeguard their requirements of labour and raw materials. Losses due to the war assume various forms and the Government regret that they cannot contemplate the use of public funds to relieve the position and provide compensation. Where, however, business losses are due to a process of industrial consolidation under which certain firms by closing down permit more work to be undertaken by others, there is a clear duty on the latter to provide a measure of compensation for the former. The Government look to those concerned to carry through these group arrangements in a manner that will mitigate the hardships inevitable in the process of contraction.

Discussions will be initiated with the industries concerned as to the degree of concentration to be achieved and the other matters arising therefrom. For example, the factories to be left in production should not be in districts where the demand for labour for munitions is relatively heavy.

In order to help the Board of Trade in carrying out this task, the scope of the Export Council is being expanded and it will be renamed the Industrial and Export Council. There will be formed a committee of the Council which will include representatives of the Ministries of Supply and Labour. The number of business members of the Council is also being increased so that men themselves experienced in business may advise and guide the industries concerned in carrying through this difficult work of concentration. It is estimated that more than fifty industries will be affected by the proposed adjustments.

### SOUTH AFRICAN MARKET FOR LADIES' AND MEN'S HATS

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, March 13, 1941.—South Africa offers a worthwhile market for ladies' and men's hats of all types. An examination of the trade returns shows that total imports of hats of all types were valued at £451,517 in 1939 as compared with £435,214 in 1938. The trade in fashionable lines has declined since the outbreak of hostilities, but the decrease is not so drastic as might be expected. The trade in men's wear has been more seriously affected, as a large number of the prospective purchasers have joined the defence forces. Retail dealers in men's hats report that trade is quiet, but indicate that the decline in sales would not be more than 25 per cent in comparison with pre-war figures.

Men's hats are manufactured in South Africa, although with one exception the factories obtain their hat bodies from overseas. A large proportion of the ladies' hats are imported untrimmed and are made up locally, in order to take advantage of the lower duty applicable to untrimmed hats. The largest share of the hat business normally was obtained by the United Kingdom, the United States, Japan, and Continental countries. Many of these sources of supply are now closed, and importers will in all probability have to look to the Canadian and United States markets for future supplies.

### IMPORTS

The following tables show the values of the various types of ladies' trimmed hats imported into the Union of South Africa in the calendar years 1939 and 1938 from the chief supplying countries, and of other hats in the years 1939, 1938 and 1937; imports in 1937 by countries of origin are not available for ladies' trimmed hats and caps:—

#### *Imports of Ladies' Trimmed Hats and Caps*

	1939	1938
Total . . . . .	£ 84,244	£ 81,250
United Kingdom . . . . .	48,342	48,814
United States . . . . .	15,388	12,337
France . . . . .	9,587	7,831
Germany . . . . .	3,837	5,001
Japan . . . . .	1,601	2,676
Italy . . . . .	1,454	779
Netherlands . . . . .	1,401	423
Canada . . . . .	902	167

#### *Imports of Other Hats and Caps*

	1939	1938	1937
Total . . . . .	£161,033	£153,461	£283,873
United Kingdom . . . . .	105,067	108,758	185,516
Japan . . . . .	17,672	17,422	32,829
United States . . . . .	10,602	6,501	20,759
France . . . . .	5,901	3,688	6,125
Hongkong . . . . .	4,083	1,102	535
Switzerland . . . . .	3,744	3,445	9,264
India . . . . .	3,648	3,936	4,379
Belgium . . . . .	2,461	917	4,305
Italy . . . . .	2,150	2,343	2,776
Netherlands . . . . .	1,545	401	560
Canada . . . . .	1,531	1,244	120

#### *Imports of Felt and Fur Hats and Caps*

	1939	1938	1937
Total . . . . .	£169,376	£161,816	£227,339
United Kingdom . . . . .	99,614	92,503	136,413
Italy . . . . .	56,704	52,541	63,293
Germany . . . . .	3,569	4,437	2,575
United States . . . . .	2,872	4,517	7,848
France . . . . .	1,985	567	359
Japan . . . . .	1,416	1,307	3,104
Switzerland . . . . .	1,137	1,187	1,640
Belgium . . . . .	1,100	1,623	1,095
Canada . . . . .	327	213	728

#### *Imports of Straw Hats and Caps*

	1939	1938	1937
Total . . . . .	£ 36,864	£ 38,687	£ 54,034
United Kingdom . . . . .	24,407	25,644	33,107
Italy . . . . .	3,269	4,429	5,274
United States . . . . .	2,653	1,585	2,083
Japan . . . . .	2,092	2,536	4,943
Switzerland . . . . .	1,372	1,200	3,817

MARKET REQUIREMENTS FOR MEN'S HATS

The styles of men's hats enjoying popularity in South Africa are identical with those favoured in the United Kingdom. Where men's apparel is concerned this market follows the United Kingdom very closely and has been doing so for many years. In order to obtain volume business in men's hats it is essential that they be styled conservatively, with narrow brims and bodies to match. Attempts have been made to introduce men's hats similar to those sold in the United States and Canada, but these have met with no more than moderate success. It is suggested that Canadian manufacturers of men's hats desirous of developing a worthwhile market in South Africa obtain samples of the United Kingdom hats being worn and, if possible, quote on similar types rather than attempt by widespread and costly advertising to bring about a change in consumer demand.

The bulk of the men's hat trade is done in fur felts, which sell in retail shops at £1 1s. 6d., £1 5s., £1 7s. 6d. and £1 9s. 6d. There is a fair demand for certain well-known branded lines of men's hats in the higher price ranges, but the largest sales are transacted at the prices mentioned. These prices are required to include a profit of approximately 60 per cent for retailers, who carry on an extensive business on credit terms. The best selling brands are "Battersby" and "Christy", two lines that are extensively advertised. There is only a small market for men's straw hats and also for caps, which are not extensively worn.

In order to cater to native demand in men's apparel, articles in practically all cases should be very cheaply priced. Recent inquiries reveal that men's hats are an exception to the general rule, as natives in the larger centres are buying hats priced at £1 1s. 6d. and £1 5s. Merchants are alive to this demand and maintain special native sections. Purchases by natives greatly enlarge the potential market for men's hats.

LADIES' HATS

Rapid strides have been made in recent years by local factories manufacturing ladies' hats. It is estimated that more than half the cheap to medium millinery sold is now being produced in this country. To avoid the higher duty, felts are imported and blocked and turned locally, and for the same reason straws are imported in sheets and shaped locally.

The biggest factor in the imported field at present is end-of-season lines or "close-outs". The seasons are exactly the opposite of those in the Northern Hemisphere, and therefore South African firms are large buyers of unsold stocks held by manufacturers and jobbers, particularly in London and New York. Formerly the majority of the milliners in South Africa had standing orders with London firms, whereas now only a few of the most exclusive shops buy according to this method. "Close-outs" have been priced so low that they have produced severe competition for local hat manufacturers, and it was for this reason that the duty on imported trimmed hats was increased.

Styles in ladies' hats follow normal overseas fashion trends, and United States, London, and formerly Paris models enjoyed equal popularity. Ladies' hats are distributed through channels similar to those which are operative in Canada.

TARIFF

The rates of duty applying on hats, caps and bonnets entering the Union of South Africa are as follows:—

Tariff Item 69	Minimum Rate	Inter- mediate Rate	Maximum Rate
(a) Men's, second-hand, for sale, and second-hand hoods each	3s. 6d.	3s. 6d.	5s.
(b) (i) Ladies' trimmed . . . . .ad val.	30%	30%	30%
(ii) Ladies' untrimmed not ready to wear . . .ad val.	10%	15%	20%
or per dozen	3s.	3s.	4s.
whichever duty shall be the greater			



RATES OF DUTY ON HATS, CAPS AND BONNETS—*Concluded*

Tariff Item 69	Minimum Rate	Inter-mediate Rate	Maximum Rate
(c) Miners' safety hats and caps (new) . . . . .ad val.	Free	Free	5%
(d) Men's felt or fur hats . . . . .ad val.	15%	20%	25%
	with a minimum of		
	3s.	3s.	4s.
(e) Men's and boys' caps, other . . . . .per dozen . . . . .ad val.	15%	20%	25%
(f) Other, and rubber bathing caps . . . . .ad val.	10%	15%	20%

NOTE.—Linings, bands, and borders shall not constitute trimming.

Intermediate rates of duty apply to imports from Canada. Maximum duties are applicable to (d), (e) and (f) when imported from countries which are not accorded most-favoured-nation treatment.

## PROSPECTS FOR CANADIAN HATS

Canada has participated to only a limited extent in the hat trade of South Africa. A quantity of ladies' felt hats regularly comes forward, and some orders for men's hats are placed in the Dominion. In the ladies' hat trade, prices on end-of-season lines of Canadian manufacture have not been competitive with United States quotations.

Styles of men's hats manufactured in Canada do not correspond to those in demand in South Africa. The chief complaint is that the brims are too wide and the hat bodies slightly large, so that even if the brims are narrowed the hat bodies are out of proportion.

There are opportunities at present for increasing sales of Canadian hats in this market. To extend the sale of men's hats appreciably it is essential that ruling styles be copied. In the case of ladies' hats it seems desirable to locate competent resident agents familiar with the trade and supply these agents with sufficient information on end-of-season stocks and regular lines to permit them to approach buyers to advantage. In addition several of the larger department stores have buyers en route to Canada and the United States, and contacts should be established with them. Interested Canadian firms may obtain their addresses on application to the Canadian Trade Commissioner in New York City. Canadian hat manufacturers desirous of having an investigation made of the market possibilities for their products in South Africa are invited to communicate with the Canadian Trade Commissioner at Johannesburg.

## AGRICULTURAL CONDITIONS IN NORTHERN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, March 28, 1941 (delayed).—On the whole the weather during the growing season of 1940 was favourable. A long spell of dry and warm weather during May and June gave rise to some anxiety, but the situation was relieved by rains in July, and those crops which had been affected by the extremely dry conditions made a good recovery. The continuance of moist warm weather during the earlier part of August hastened the ripening of cereal crops, and later ideal weather prevailed for harvesting operations. Virtually all the crops had been safely gathered in by the end of October. Generally speaking the quality of all farm produce is entirely satisfactory.

For the first time in history Northern Ireland farmers received for all their principal produce the same prices as farmers in England and Scotland. For potatoes there is a system of area prices and, Northern Ireland being regarded as an area, special prices are fixed for this crop. For oats, wheat, barley, flax, eggs, fat cattle, sheep and pigs the Northern Ireland producer receives the same treatment as farmers in Great Britain.

### INCREASED ACREAGE UNDER CROPS

The first demand made upon the Northern farmers was for increased tillage. The Minister of Agriculture asked the farmers to bring under cultivation in the year 1939-40 an additional 250,000 acres, with the result that during the harvest just closed they ploughed over 260,000 acres of old grassland. The main crops all showed a very considerable increase, there being a rise of over 300 per cent in the acreage under wheat, over 400 per cent for barley, almost 40 per cent for oats, about 20 per cent for potatoes and almost 120 per cent in respect of flax. Farmers, of course, had the inducement of the ploughing grant of £2 an acre for ploughing up old grassland. To ensure that the farmers would be in a position to respond to the call for more tillage, the Ministry took immediate steps to ensure that the necessary tractors, ploughs and harrows were available in quantities sufficient to carry out the task.

### GOVERNMENTAL CONTROL

Early in 1940 (January 15), government control of live stock and of meat was introduced in the national interest. The scheme was intended to ensure an adequate supply of meat for the United Kingdom at a reasonable price. The Ministry of Agriculture of Northern Ireland was appointed agent for the United Kingdom Ministry of Food, and its work included the certification of fat cattle for subsidy.

Orders dealing with the control of the sale of potatoes were introduced early in February. Under these orders minimum and maximum prices to growers were fixed for the sale to licensed buyers and others of both ware and seed varieties. Control prices for wholesale and retail sales were also fixed. In accordance with the Government's policy, surplus stocks during periods when the demand is sluggish will be purchased by the Ministry throughout the season and will, where prescribed, be re-sold for stock feeding and for manufacture. These purchases will help to stabilize prices to growers, who will not be obliged to accept prices below the minimum, which for lack of a guaranteed market they might be disposed to do.

### FLAX PRODUCTION

With the outbreak of war flax became one of Northern Ireland's most important crops. While the 1939 area of 21,194 acres was increased to 46,000 acres in 1940, the 1941 objective is at least 100,000 acres. Since 143,355 acres for all Ireland were registered in 1918 with fewer facilities than now, the 1941 objective is not extravagant. The price of flax then averaged £300 per ton as against about £165 now, but with the improved seed the present yield of 33 stones per acre is greater by 11·34 stones (i.e. 55·2 per cent). In addition, with the cost of pulling (35 per cent less) and preparing cheapened, and the quality probably improved by 40 to 50 per cent, the crop is now more remunerative than in 1918.

Flax prices for the 1940 crop were appreciably increased at the beginning of the year, with the main object of encouraging increased sowings in order to assist the linen export trade. The new prices ranged from 17s. 6d. to 22s. 6d., with an average of 20s. per stone, as compared with 10s. to 16s. 6d., and an average of 13s. 6d. per stone for the 1939 crop. Maximum wholesale and retail prices were also fixed for seed according to the varieties. In September the price of flax of the 1940 crop was increased further by 2s. 6d. per stone in order to compensate farmers for a recent increase in agricultural wages. Arrangements were later made to bring those farmers who had contracted prior to May 31 to sell their flax as green straw into line with this increase. On June 29

a new policy was outlined for the industry, based on recognition of the fact that the farmer must be paid fair and remunerative prices for the produce which is required to be raised during the national emergency. The prices then announced were also designed to secure to the farmer for his 1940 crop a return that would enable him to finance his cultivation for the following year.

#### PRICES FIXED FOR DOMESTIC PRODUCE

In view of the impending food shortage, which began to be felt as the submarine campaign became more extensive in 1940, the Government of Northern Ireland made strenuous efforts to ensure the production of as much home-grown food as possible. Prices for home-grown wheat, oats and barley were fixed for the crops about to be harvested, the standard price of wheat being raised by 3s. to 14s. 6d. per cwt. and the maximum prices of oats and barley being increased to the same level. Further, it was announced that there would be a 20 per cent increase per acre in potato prices, based on the 1939 returns, and that minimum prices fixed throughout the season were to take account of local conditions and varieties. Adjustments would be made from time to time in the prices fixed for the various classes and grades of live stock, it was announced, so as to secure the fulfilment of the food production policy of the Government, bearing in mind that as regards live stock the first aim of that policy is to maintain milk production.

Since that announcement the Government, in planning the food production program for 1941, have decided to fix prices in advance for crops harvested in that year so that growers may plan ahead with complete security. The standard price for wheat under the Wheat Acts will be continued for the 1941 crop at 14s. 6d. per cwt., and it is intended to raise the standard price for the 1941 oat crop to 12s. 6d. per cwt. The maximum prices for oats and barley grown in 1941 and sold for feed will be 13s. 6d. per cwt. Appropriate minimum prices are to be set for potatoes grown in 1941, and these will vary according to the different varieties and districts and the season of the year. The general intention is to give to farmers an increased return of approximately 30 per cent per acre above what they obtained for the 1939 crop.

Milk producers have been guaranteed increased prices to meet higher costs of production, and in implementing this measure the Ministry of Food, by a recent order, requires that every person producing milk for sale in Northern Ireland shall place it at the disposal of the Ministry. All milk thus taken over will be purchased at an increased price estimated to cover increased costs of production over the 1938-39 winter level. This milk will be re-sold by the Ministry to distributors at a level which will enable them to continue for the present to sell to consumers at the current prices. Milk is similarly to be sold to creameries and other manufacturing concerns at prices which they can afford to pay. The prices paid by the Government for milk during the months of November and December were 7d. and 8d. per gallon respectively above the levels for those months two years ago.

Prices of feeding stuffs have been stabilized until next year, as also have those of fertilizers. A rationing scheme for animal feedingstuffs, in order to ensure that the decreasing supplies now being imported may be distributed to the best possible advantage of the industry, was promulgated at the end of the year.

#### AGRICULTURAL WAGES BOARD ESTABLISHED

An Agricultural Wages Board was established under the Agricultural Wages (Regulation) Act (Northern Ireland) 1939 to fix minimum rates of wages for workers employed in agriculture, to provide for holidays with remuneration and for related matters. On June 11, 1940, an order was issued



fixing, as from June 24, 1940, minimum rates of wages, hours of work, and other conditions of employment of male workers in agriculture. No minimum rates have been fixed for female workers. An increase in the minimum rates of wages was part of the new agricultural policy outlined by the British Minister of Agriculture in June, and the Board made a second order increasing by approximately 15 per cent the rates as fixed by the order dated June 11, 1940. These increased rates became operative on October 7, 1940.

## BUSINESS AND FINANCE IN EIRE DURING 1940

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, March 14, 1941.—Towards the end of 1940 supplies of raw materials and parts for assembly in Eire were becoming more difficult to obtain and the effect of this on industry more noticeable. Several factories had to close down, some temporarily and some permanently.

During 1940 there was considerable immigration from the United Kingdom and Northern Ireland, chiefly of returning Irish people. Although about 20,000 of these might be assumed to be employable, there were 12,800 persons less on the Register of Unemployment in December than at that time in 1939. That state of affairs was largely due to government employment schemes, such as turf-cutting, and to the expansion of the defence forces, in which many thousands of young Irishmen were enlisted and which now number about 200,000. Thousands of others went to the United Kingdom to serve in the British forces and as doctors and nurses. Many domestic servants returned to Eire from the United Kingdom owing to conditions there, and, since the number of persons who can employ servants is diminishing due to the increasing cost of living, they present an acute unemployment problem.

An additional Unemployment Assistance (Employment Period) Order was made during 1940 to widen the scope of these orders, which have the effect of removing a number of men in rural areas from the live register of unemployed during the summer months. Owing to the incidence of these orders, the statistics of unemployment are subject to wide fluctuations and in most cases are not comparable from month to month.

### FINANCE

There has been a certain strain imposed upon Eire's finances by the war, but the effect will not be fully felt or known until the 1941-42 budget is introduced next month. In the budget for 1940-41 the Minister of Finance estimated total expenditure at £35,584,000 and total revenue at £33,000,000, and balanced the budget by adding another shilling in the pound to the income tax and by levying other minor taxes. Owing to the decision to increase the defence forces a supplementary estimate in excess of £3,000,000 was introduced in the Dail on November 27, bringing the total for defence to £6,454,600 for the year.

During 1940 the Department of Finance issued several orders to conserve foreign exchange balances abroad and to prevent the export of currency and gold. Owners of dollar securities were compelled to register these in July and their transfer or sale abroad was restricted. Forward exchange transactions were permitted for not more than four months ahead for genuine commercial purposes, exchange being obtained through the local banks from the Department of Finance, ex the Bank of England. Some gold for Eire Government account was lodged in New York, but how much is not known nor whether it has all been hypothecated. In practice, however, business firms in Eire had no difficulty in 1940 in getting all the dollars they needed for legitimate business, even when Canadian exporters, fearing an invasion of Eire, insisted on letter of credit terms. The procedure for obtaining exchange involves some few days of delay, but

occasions no other difficulties, and thereafter the funds may be cabled abroad if urgently needed. At first merchants whose financial position was very strong, and who had always been "spoiled" by suppliers in the way of credit, objected to forward payment; but when it became apparent that the market was distinctly a sellers' market and goods were urgently needed and reported to be getting short, they soon fell in with the new requirements, although not without protest.

### BANKING

Monetary circulation in Eire at the end of September, 1940, showed a further expansion. At that time a new record was reached at £20,980,414 as compared with £18,283,469 on the same date in the preceding year. This total was made up as follows: legal tender notes, £13,405,194; consolidated bank notes, £5,142,756; proportion of old all-Ireland bank notes, £850,958; coinage, £1,581,506. The coinage showed an increase, the 1940 figure comparing with £1,285,000 in 1939 and £1,150,000 in 1938.

The Note Security Fund shows that, although holdings of British Government securities rose from £8,733,941 at the end of 1939 to £9,128,086 on September 30, 1940, other assets also rose from £3,223,824 to £4,277,108 in the same period. The latter increase suggests that the Currency Commission is still purchasing gold whenever possible.

The returns of the ten Irish banks for 1940 showed deposits totalling £190,918,702, an increase of £10,789,253 over 1939. Advances and bills discounted at £85,910,525 were down £1,317,994. Aggregate net profits declined £78,123 to £1,107,043.

On the Dublin Stock Exchange banking issues were subjected to nervous liquidation in the earlier part of the year and the market presented a dull appearance. The reduction in many of the half-yearly dividends was responsible to no small extent for this state of affairs. Then, in sympathy with most other groups, a general change in attitude took place and shares recorded distinct increases in the latter part of the year.

### MARINE INSURANCE

The subject of war-risk insurance on shipments to Eire from Canada and the United States was dealt with in a report published in *Commercial Intelligence Journal* No. 1924 (December 14, 1940). Since that report was written the only changes that have occurred are: (1) the rate of 60s. per £100 on shipments from the American continent to British ports and of 30s. from the West Coast of the United Kingdom (or Belfast) to Irish ports, including transshipment, have been reduced to 50s. and 20s. respectively, although the rate of 60s. still applies to Canadian or United States Pacific Coast shipments; (2) the open market insurance rate of 20 per cent is no longer confined to any restricted group of commodities.

As regards the requirement for two bills of lading, the situation is not quite clear. In practice the rule appears to be that one bill of lading marked "To Dublin via . . . ." is accepted by the shipping companies and the goods duly arrive. On the other hand, agents of the British Government War-risk Insurance Office state that two bills of lading are necessary; one to cover the shipment as far as the British port and one to cover it from that point to Dublin. It is hoped that the situation will be clarified in the near future. When more information is available it will be reported in the *Commercial Intelligence Journal*. The question is not of great urgency, however, as no ships are coming to Dublin from Canada at present.

### AIR TRANSPORT

Commercial air services, both cross-Channel and trans-Atlantic, were continued during 1940, but private flying was completely stopped. The trans-

Atlantic service ceased when the United States declared extension of the "war zone" surrounding Ireland, but it was resumed again in August and maintained until winter. The traffic cross-Channel, however, has been maintained without interruption and has greatly increased, bookings being unobtainable for several days ahead. During 1940 over 6,000 passengers were carried. Considering the stringent official restrictions placed upon travel in the year, the number was a remarkable increase over all previous years.

Dublin's new airport at Collinstown, some six miles north of the city, which is to cost the Government about £500,000, is nearing completion and will be formally opened in May, 1941. It will be operated by the National Transport Company, to which the Government voted a subsidy of £35,000 in 1940 to cover any loss sustained by the operation of the air service. The trans-Atlantic service is a special boon to Canadian trade, as it enables small samples and urgent messages to be conveyed with expedition.

### ELECTRICAL DEVELOPMENT

One of the most important phases of Irish electrical development in 1940 was the effort made to replace coal by peat as a fuel in the Pigeon House steam generator at Dublin, where the furnaces were re-designed for the use of peat fuel. According to the Electricity Supply Board engineers, if there was a sufficiency of turf at not more than 10s. 6d. per ton (or one-third the price of coal if that increased) the change would be economical. The Turf Board had won 50,000 tons of peat in 1940 from Clonsost bog with half the requisite machinery (the other half, as this machinery was being supplied from the Continent, is not procurable now) and with unskilled workers. A new steam generator is to be erected near the bog at Portarlinton. From this plant it is expected to get electricity at .426 pence per unit as compared with .4457 pence for the Pigeon House plant last year and .2575 to .3723 pence for the Ardnacrusha water-power plant, the annual price varying with the rainfall. Trial networks are to be established to test the economic aspect of rural electrification.

Good progress was made in 1940 on the Liffey Hydro-Electric and Water Supply Scheme, and, under the present program, the installation of the power plant will be completed during 1941. This scheme provides for the generation of 30 million units of electricity per annum, while the Dublin Corporation—under the agreement with the Electricity Supply Board—will draw up to 20 million gallons of water a day from the newly-created reservoir at Poulaphouca. The scheme requires the construction of a storage reservoir with a capacity of 150,000,000 cubic metres and covering 5,000 acres, a main power station at Poulaphouca with an installed capacity of 30,000 kw., and a smaller station at Golden Falls (lower down the river) with an installed capacity of 4,000 kw. The first contract for the main constructional works—the dam and tunnel at Poulaphouca, and the dam and power station at Golden Falls—was made in October, 1937. A further contract for the construction of bridges was made in December of the same year and these bridges have now been completed. Work on the dam, which rises to a height of 104 feet at its highest point, was completed during 1940. Approximately 35,000 tons of concrete were used in the construction of the dam, which is 255 feet long and 8 feet 4 inches wide at the crest level.

Gross revenue of the Electricity Supply Board in the year ended March 31 last was £1,958,491, an increase of £43,376. The working expenditure, including depreciation, totalled £1,152,044, an increase of £122,895. The "black-out" restrictions on public lighting, the extension of "summer time", and the decreasing number of trams on the Dublin streets were contributory factors to a decline of 8,494,169 units in the electricity sold for general and public lighting and traction. There was, however, an increase of 31,787,119 units in the consumption for domestic purposes, motive power, general heating, cooking and water heating.



The industrial development of Eire during the past five years is largely responsible for the rise in the consumption of electricity for industrial motive purposes from about 50 million units in 1935 to 129 million units in 1940. The electricity returns also indicate the decentralization of industry, since they show that outside of Dublin and Cork, the consumption of current for industrial use has increased five-fold. The number of units generated in the year was 406,998,700 as compared with 377,637,400 in the preceding year. Sales of electrical appliances were valued at £87,436, an increase of nearly £8,000, and the installations contracts carried out amounted to £64,623, a decrease of £2,000.

## TRADE AND ECONOMIC CONDITIONS IN BRITISH HONDURAS IN 1940

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, March 31, 1941.—The impact of war on the trade of British Honduras in 1940 was reflected in a moderate reduction in imports as compared with the previous year and a fairly substantial increase in exports of domestic produce as well as in re-exports. Revenue from customs duties and package tax dropped from \$486,086 to \$404,608, and total ordinary revenue was reduced from \$1,739,100 to \$1,518,044. In spite of this decline, by a policy of strictest economy, the Government succeeded in arriving at a balanced budget, apart from unemployment relief for which a grant was made by the Imperial Treasury.

### IMPORTS

The value of imports from all sources declined from \$3,532,059 in 1939 to \$3,318,070 in 1940. No details are available as to countries of origin.

The following table shows quantities and values of a number of items, most of which are of interest to Canada, imported into the Colony in 1940, with comparative figures for 1939:—

	Quantity		Value	
	1940	1939	1940	1939
Beer, ale, stout and cider . . . . .Gal.	10,418	11,693	\$ 10,396	\$ 11,424
Butter . . . . .Cwt.	569	702	18,643	22,524
Butter substitutes . . . . .Cwt.	1,934	2,623	23,784	26,993
Cheese . . . . .Cwt.	896	1,522	19,779	24,623
Confectionery . . . . .Cwt.	1,494	1,284	28,928	26,721
Rice . . . . .Cwt.	17,944	30,511	44,771	70,872
Flour, wheaten . . . . .Bag	36,881	42,296	158,160	143,159
Beans and peas . . . . .Cwt.	6,263	9,119	34,770	43,302
Lard and its substitutes . . . . .Cwt.	6,022	6,312	52,376	57,529
Meats—				
Beef, salted, in barrels . . . . .Cwt.	938	1,495	10,861	15,145
Pork, mcss, in barrels . . . . .Cwt.	736	681	9,364	9,686
Pork, other, in barrels . . . . .Cwt.	2,444	2,303	24,354	25,462
Canned or bottled . . . . .Cwt.	2,622	2,364	25,943	38,679
Smoked or cured . . . . .Cwt.	771	698	17,722	17,019
Milk—				
Unskimmed, sweetened . . . . .Cwt.	11,646	15,455	123,626	123,445
Unskimmed, unsweetened . . . . .Cwt.	2,983	2,993	27,536	26,397
Spirits (whisky) . . . . .Gal.	1,174	1,264	5,495	6,464
Sugar, refined . . . . .Cwt.	1,544	1,509	6,256	4,629
Tea . . . . .Cwt.	477	479	22,194	21,476
Tobacco—				
Cigarettes . . . . .Lb.	8,275	12,092	9,004	13,654
Leaf, black . . . . .Lb.	51,729	45,676	11,191	9,759
Leaf, other . . . . .Lb.	52,118	55,531	11,511	17,133
Lumber—				
Dressed . . . . .Cu. Ft.	63,727	100,599	33,788	48,340
Undressed . . . . .Cu. Ft.	8,354	12,755	4,931	7,181
Apparel, wearing, all kinds . . . . .	.....	.....	84,059	85,292
Boots and shoes—				
Canvas or rubber . . . . .Doz. Pr.	3,702	4,521	23,349	24,659
Other kinds . . . . .Doz. Pr.	3,545	4,585	51,916	57,090

	Quantity		Value	
	1940	1939	1940	1939
Carriages, carts and wagons—				
Bicycles, tricycles and parts. . . . .	.....	.....	\$ 10,890	\$ 13,412
Motor cars and trucks. . . . .No.	26	46	21,276	36,997
Trucks and trailers for mahogany or agricultural purposes. . . . .	.....	.....	22,503	17,136
Tractors . . . . .No.	6	.....	34,274	.....
Tractor parts. . . . .	.....	.....	79,758	50,892
Cotton piece-goods . . . . .Yd.	1,080,250	1,318,517	111,097	124,577
Haberdashery and millinery. . . . .	.....	.....	20,807	19,835
Hardware, all kinds. . . . .	.....	.....	35,554	45,703
Hats, caps and bonnets . . . . .Doz.	6,192	5,350	22,408	21,014
Hosiery, all kinds. . . . .Doz. Pr.	11,988	12,477	19,888	18,312
Implements and tools . . . . .	.....	.....	17,735	25,049
Machinery—				
Electric lighting. . . . .	.....	.....	25,856	12,051
Marine . . . . .Ton	14	29.2	23,034	31,824
Other industrial . . . . .Ton	19.5	47.2	14,675	24,454
Matches . . . . .Gross Box	10,272	20,005	7,188	11,838
Medicines and drugs. . . . .	.....	.....	40,708	53,191
Metal and metal manufactures—				
Iron and steel nails, spikes, etc. Cwt.	1,120	1,275	8,531	8,561
Iron roofing and guttering. . . . .	.....	.....	11,363	9,660
Oils—				
Diesel. . . . .Gal.	403,964	435,400	41,116	38,891
Gasoline . . . . .Gal.	483,093	701,545	89,357	104,590
Kerosene, 150° . . . . .Gal.	259,040	325,073	35,337	42,383
Lubricating . . . . .Gal.	56,189	62,842	24,199	26,220
Painters' colours and materials . . . . .	.....	.....	20,769	24,559
Paper other than newsprint and playing cards . . . . .	.....	.....	40,185	32,065
Perfumery and toilet preparations . . . . .	.....	.....	19,332	23,394
Silk and artificial silk manufactures—				
Artificial silk piece-goods. . . . .Yd.	262,049	147,372	43,794	18,776
Soap, common . . . . .Cwt.	1,636	7,213	9,502	35,579
Stationery. . . . .	.....	.....	10,045	11,131
Wooden manufactures other than furniture . . . . .	.....	.....	28,162	16,940
Woollen piece-goods . . . . .Yd.	15,278	18,587	13,182	16,456
All other articles. . . . .	.....	.....	595,565	716,415

### PRODUCTION AND EXPORT

The value of domestic exports showed a substantial increase during the year, reaching a total of \$1,608,382 as compared with \$1,364,867 in 1939. Mahogany lumber and chicle accounted for most of the rise, while declines were recorded for exports of bananas, fresh grapefruit, copra and mahogany logs.

### MAHOGANY AND CEDAR

Mahogany logs were shipped exclusively to the United States and exports to that market dropped from 460,088 cu. ft. valued at \$406,711 to 353,148 cu. ft. valued at \$338,703. In 1939 a total of 11,957 cu. ft. valued at \$28,858 went to the United Kingdom, but none was shipped in 1940.

On the other hand, shipments of mahogany lumber increased in value from \$255,863 to \$555,384, or by more than 100 per cent. While the United Kingdom took most of the output, increasing quantities went to Canada. Shipments of cedar logs, which went entirely to the United States, dropped from \$33,938 to \$25,191.

Re-exports of mahogany logs, that is, mahogany from Mexico exported through Belize, increased in value from \$371,561 to \$595,518.

Contracts for domestic mahogany, made up to the end of the year for 1941 delivery through Belize, show an increase over the previous year's of over 37 per cent, while those for Mexican production show a decline of over 20 per cent. Increased quantities of mahogany are being derived from the crown lands of the Colony.

## PINE

It was reported in 1939 that negotiations were then going on for the development of the crown pine forests of the Colony by American interests, who proposed to erect a sawmill of sufficient capacity to take care of the domestic market and possibly provide a surplus for export. The war has caused a suspension of the project, although it is stated to be still under consideration.

## CHICLE

This, the Colony's second most important product, is derived from the sapadillo tree and is used in the manufacture of chewing gum. Exports of domestic chicle in 1940 were valued at \$396,879 as compared with \$280,552 in 1939. During the same period re-exports of Mexican production rose from \$442,322 in 1939 to \$534,287 in 1940. Exports to Canada of the domestic product increased in value from \$32,203 to \$131,865.

## BANANAS

Production and export of bananas suffered a decline during the year, due chiefly to the ravages of the "Sigatoka" leaf spot disease, which has taken such a toll in other producing countries, notably Jamaica, in recent years. Exports dropped from 522,578 bunches valued at \$186,702 in 1939 to 437,432 bunches valued at \$153,937. The entire quantity went to the United States.

## CITRUS

A shortage of shipping space to the United Kingdom throughout the year was the principal cause of the decline in grapefruit exports, which were valued at \$69,006 as against \$82,625 in 1939. Shipments to Canada, however, increased in value from \$13,561 to \$20,077. Orange shipments were negligible, but canned grapefruit to the value of \$4,414 and some grapefruit juice were sent to the United Kingdom. The Citrus Association planned to can a part of the season's crop for export when conditions warranted.

## COCONUTS AND COPRA

The export of coconuts declined to some extent in number, but this was compensated for by increased returns, the figures being 2,846,550 nuts (\$35,071) and 2,681,509 (\$44,129) in 1939 and 1940 respectively. Shipments of copra dropped in value from \$18,955 in 1939 to \$3,509, due to larger consumption by the local soap factories.

## CASSAVA

Operations of the cassava factory at Stann Creek proved disappointing, due, it is stated, to the immaturity of much of the roots harvested and the low yield which generally prevailed. Only about 40 tons of starch were produced during the year from 345 tons of roots.

## SUGAR

In 1939 a total of 186 tons of sugar were exported to the United Kingdom, but none was shipped in 1940.

## IMPORT CONTROL

Following the outbreak of war, a system of import control was introduced in the Colony, and the importation of certain goods was prohibited except under licence. While in the early stages the list of goods affected was restricted to a few major items, it was later extended to include practically everything in general use in the Colony. The purpose of the control is to restrict consumption and conserve non-sterling exchange, the effect being to give preference in the issuance of licences to sterling sources of supply when the disparity in price is not too great.



## CANADA'S DOMESTIC EXPORTS IN MARCH

PREPARED BY INDUSTRIAL RESEARCH BRANCH, DOMINION BUREAU OF STATISTICS

Canada's total domestic exports in the month of March were valued at \$102 million as compared with slightly less than \$83 million in March, 1940. For the three months ended March total Canadian exports stood at \$288 million as compared with \$244 million for the first quarter of 1940.

Exports to the United States in March accounted for \$11 million of the \$19 million increase over March, 1940, the value of these exports at \$36 million being fully 45 per cent above that for the same month of last year. Exports to the United Kingdom showed a rise in the same comparison of \$5 million to \$45 million. Other countries receiving more than one million dollars' worth of exports each in March, 1941, were, in order of values: British India, British South Africa, Australia, British West Indies and Egypt.

As compared with those for March, 1940, the values of exports to most parts of the British Empire in March last increased greatly. For the Straits Settlements and Southern Rhodesia they doubled; for British East Africa and British West Africa they were six times as great; for Palestine four times; for Bermuda more than twice; for Egypt they reached \$1,394,000 as compared with \$45,000.

Continuing the trend of recent months, exports to Japan in March showed a striking decline, their value at \$334,000 being one-third that of March, 1940. For the first quarter of this year the value of exports to Japan was \$906,000 as compared with \$4,645,000 for the first quarter of 1940. Exports to Sweden and Eire, which were valued at \$139,000 and \$645,000 in March, 1940, were of almost negligible values in the month under review.

Among the nine main commodity groups the greatest increase was in iron and its products, which stood at \$17,474,000 as compared with \$6,122,000 in the previous March. Automobiles and parts were responsible for \$7½ million of the increase, and there were striking advances also in pigs, ingots, etc., and in machinery other than farm. The wood and paper group was up by \$5½ million, the miscellaneous group by \$4½ million, and non-ferrous metals (excluding gold) by \$4 million. Agricultural and vegetable products and animal products, on the other hand, showed declines of considerable amount, particularly in the items of fruits, vegetables, leather, meats and cheese.

## BRIEF FACTS AND COMMENT ON FOREIGN TRADE

### TRADE DIVERSION NOW COMPLETE

It is unlikely that imports into the eastern group of the British West Indies from Canada will show the same expansion in 1941 as occurred in 1940. The trade diversion that contributed materially to the increased trade of 1940 is now complete, except for moderate adjustments, and it is becoming apparent that increasing restrictions can be expected from the local import control authorities in the interest of conserving exchange. Hardware items formed a large part of the trade diverted to Canada in 1940 and with increasing war production in Canada it is not unlikely that difficulty will be experienced in obtaining from Canada the hardware products required in this territory.—*Acting Trade Commissioner, Port of Spain.*

### NO FLOUR IMPORTS INTO ECUADOR FROM CANADA

Ecuador offers a small market for wheat flour and Canada has not obtained any share of Ecuador's flour imports since 1936 when the Ecuadorian Government imposed a surcharge of 50 per cent of the duty on flour from Canada. The United States, which has a trade treaty with Ecuador, has a preference of 30 per cent, so that Canada's trading position is very unfavourable in competition with the United States.—*Canadian Trade Commissioner, Lima.*

### VARIETY OF CANADIAN PRODUCTS SURPRISES MERCHANTS IN BRITISH WEST INDIES

It has come as a considerable surprise to local merchants that Canada is in a position to supply such a wide variety of the products which they have hitherto obtained from the United States or Europe. There is no doubt that much of the new business now being obtained by Canadian firms is of a temporary nature, but if Canadian firms will endeavour to give the local importers quick and efficient service there is a reasonable prospect of a fair proportion of this trade being retained.—*Acting Trade Commissioner, Port of Spain.*

### UNITED STATES TRADE WITH LATIN-AMERICAN REPUBLICS IN 1940

Important results were obtained during 1940 in efforts to consolidate trade with Latin America, but the excess of United States exports to that area, existing since 1938, was not balanced. Comparative expansion of United States monthly exports was arrested after midyear, however, and vanished in the last months of 1940 when the totals must be considered in relation to the early war months, September-December, 1939.

Exports, including re-exports, to the 20 republics totalled \$727,776,000, or a gain of 27·8 per cent over the preceding year. General imports amounted to \$620,100,000, or 19·7 per cent more than in 1939. The resulting excess of exports for 1940, of \$106,700,000, constitutes a real problem in our trade relations with Latin America, but the Government's sympathetic attitude toward it, and desire to co-operate with the Latin-American nations, combined with the recently accelerated tempo of the domestic industrial program in the United States, provides encouragement for an ultimate solution.—*Foreign Commerce Weekly, Washington.*

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### BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland). 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

### TRADING WITH GREEK MAINLAND PROHIBITED

From and including May 1, 1941, the provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) have been extended to and are deemed to apply to the mainland of the Kingdom of Greece as enemy-occupied territory.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### TARIFF DECISIONS

Recent Australian customs decisions as to the tariff classification and rates of duty on articles regarding which question had been raised include the following:—

Cast brass jet cocks commercially usable only on gas stoves, incorporating an adjustable needle which regulates the flow of gas, 25 per cent ad valorem under British preferential tariff, 47½ per cent under general tariff, rates to increase as Australian exchange depreciation may be lessened (item 180C2b).

Segmental saws and spare segments therefor, as specified, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (item 215A).

Rotary electrical switches, quick-acting snap type, two positional single circuit, for use with electric heating and cooking appliances or with tailors' electric irons, also the same type switches other than two positional single circuit, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 415A2).

The following articles are admissible by by-law under tariff item No. 404: "Materials and minor articles of a class or kind not commercially produced or manufactured in Australia, for use in the manufacture of goods within the Commonwealth", free of duty under the British preferential tariff and 15 per cent ad valorem under the general tariff, viz: magnesium chloride of commercial grade, for all purposes; alloy ingots composed of nickel, copper, chromium and iron, provided the nickel content thereof exceeds 50 per cent, for all purposes; alloy tubing composed of nickel, chromium and iron, providing the nickel content thereof exceeds 70 per cent, for all purposes; stainless steel blades for bread knives, salad knives, and vegetable knives.

Following is a revised list of files admissible under tariff item 219C (hand tools as prescribed by by-laws), free of duty under British preferential tariff, 15 per cent ad valorem under general tariff: Block; curved tooth (dreadnaught type) not being milled cut; horse-tooth; magneto; milled tooth (also known as mill cut) on which the teeth have been cut by a milling operation; riffer; Swiss pattern (precision) designed for use as hand tools; with forged handles, specially constructed for the sharpening of axes. Another by-law provides for the admission under item 174Y of Swiss pattern (precision) files designed for use with machines, the rates being the same as under item 219C. Millsaw files (not milled tooth files) are under item 219F at 7½ per cent ad valorem British preferential tariff and 22½ per cent general tariff.

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

### Southern Rhodesia

#### REVISION OF IMPORT RESTRICTIONS

A Southern Rhodesian notice of March 14, 1941, prohibits import except under permit issued by the Minister of Agriculture and Lands of barley in the grain or malt, except from the Union of South Africa, Northern Rhodesia, Basutoland, Swaziland, the Bechuanaland Protectorate, and so far as barley is concerned from the Portuguese Province of Mozambique south of the Zambesi River.

A notice of March 21 removes clocks, watches and parts (except watches valued at over £3 for customs purposes), glass bottles and jars, and torches from the list of non-Empire goods which cannot be imported into Southern Rhodesia except under a special permit.



## Trinidad

### QUOTAS ON FOODSTUFF IMPORTS

G. A. NEWMAN, ACTING TRADE COMMISSIONER

Port of Spain, April 29, 1941.—The Trinidad Import Control Board has issued a list of foodstuffs as being under quota from Canada. Unless otherwise specified, the basis for estimating the quota is volume of imports during the period of September 1, 1939, to October 31, 1940. Thus individual importers are allocated quotas in ratio to the quantities of the respective products imported by them during this period.

Most of the products listed are regarded as non-essential foodstuffs and contain a number of items for which local substitutes can be supplied, such as margarine, fresh fruit, fruit juice, unsweetened biscuits, confectionery (other sorts), canned fruit, lard and coffee. Fresh fruits (other sorts) do not include apples, which are admitted without quota and which constitute the bulk of the fresh fruit imported from Canada into Trinidad.

Following is the list of commodities for which quotas have been established for importation from Canada, together with the amount of the quota as a percentage of imports in the base-period:—

Tariff Item No.	Commodity	Per Cent of Base-Period Imports
48	Margarine . . . . .	100*
57	Fresh fruit (other sorts) . . . . .	50
64	Beer . . . . .	100
69	Chocolates, etc. . . . .	100
78	Fruit juice (unfermented) . . . . .	50
79	Brandy (in bottle) . . . . .	50
81	Gin (in bottle) . . . . .	100
83	Whisky (in bottle) . . . . .	100
89	Fruit juices (fortified with spirit) . . . . .	100
93	Tea . . . . .	100
94-98	Wines . . . . .	50
100	Biscuits (sweetened) . . . . .	50
101	Biscuits (unsweetened) . . . . .	25
104	Confectionery (other sorts) . . . . .	50
109	Fruit (dried) . . . . .	50
110	Fruit (canned) . . . . .	50
113	Jams and jellies . . . . .	50
114	Lard . . . . .	100*
152	Tobacco (manufactured in Empire from foreign-grown tobacco)	100

\* Pre-war.

All other items from Canada are free, except coffee, which is prohibited from all countries.

An identical list has been issued for commodities which may be imported from Empire sources other than the United Kingdom and Canada, the only exception being that the quotas are based on the pre-war period August, 1937, to September, 1939.

While every effort is being made on the part of the Trinidad Authorities to restrict imports from non-sterling countries in order to conserve exchange, the increase in population of Trinidad, including personnel connected with the United States naval bases, has made it necessary to permit increased foodstuff imports from the United States.

Following is the quota list for commodities which may be imported from the United States, the quota in this case being based on imports in the pre-war period August, 1937-September, 1939:—

Tariff Item No.	Commodity	Per Cent of Base-Period Imports
6	Peas and beans . . . . .	100
10	Manufactured cereals . . . . .	50
11	Malt . . . . .	100
13	Sago, tapioca, etc. . . . .	100
29	Pickled beef . . . . .	100
33	Pickled pork . . . . .	100
37	Sausages, etc., smoked, canned . . . . .	61
38	Meat pastes, etc. . . . .	37
39	Canned meats (ham, sausages) . . . . .	100
40	Essences . . . . .	100
43	Butter . . . . .	52
109	Prunes only . . . . .	100
118	Olive oil . . . . .	100
121	Vegetable oil (unhardened) . . . . .	50
127	Condiments, n.e.s. . . . .	50
132	Icing sugar . . . . .	50
142	Syrup . . . . .	75
143	Glucose . . . . .	100
145	Vinegar . . . . .	100
148	Tobacco (unmanufactured) . . . . .	100
153	Cigarettes . . . . .	125
156	Tobacco (manufactured) . . . . .	100

All other items are prohibited importation except those in Group B (feeding-stuffs for animals—items 14 to 21), which are free of quota.

### British Guiana

#### SALE OF MOTOR VEHICLES UNDER REGULATION

A British Guiana Order gazetted April 21, 1941, made under Defence Regulations, 1939, states that no person is allowed to purchase, or acquire in any other manner, from a dealer, any motor vehicle unless he is in possession of a permit from the Supplies Control Committee authorizing him to do so. Applications for permits to purchase are to state the reason for the purchase, whether the applicant is already the owner of a motor vehicle, as well as full particulars as to make, horse-power, engine number, etc., of the motor vehicle. The order also states that no person shall import a motor vehicle into the colony unless he has first obtained permission to make such importation from the Controlling Authority. Dealers are required to furnish on the first of each month a return giving particulars of motor vehicles in their possession.

### Japan

#### CHANGES IN TARIFF ADMINISTRATION

Mr. C. M. Croft, Commercial Secretary, Canadian Legation, Tokyo, reports that Law No. 76, promulgated and effective on March 26, 1941, among other things changes the classification of sugar for duty purposes. The description "under No. 11 Dutch Standard" has been altered to read "containing not more than 86 per cent by weight of cane sugar". The description "under No. 22 Dutch Standard" now reads "containing not more than 99½ per cent by weight of cane sugar". The respective rates remain about the same at the equivalent of about 66 cents and 76 cents per 100 pounds. For higher grades of sugar the rate remains at \$1.04 per 100 pounds.

The provision in the law for dumping duties after investigation by the Dumping Investigation Committee is amended by removing the requirement of an investigation by that Committee before imposition of dumping duties.

A new article has been added to the Customs Tariff Law providing that articles the produce or manufactures of territories adjacent to Japan may be accorded special consideration by Imperial Ordinance even to the extent of exemption from duty.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 5, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 5, 1941, and for the week ending Monday, April 28, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 28	Nominal Quotations in Montreal Week ending May 5	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2645	.2646	3½
Switzerland . . . . .	Franc	.1930	.2575	.2575	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2281	.2279	—
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2609	.2609	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Export		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6337	.6344	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4496	.4496	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0567	.0567	—
Hongkong . . . . .	Dollar	.....	.2693	.2672	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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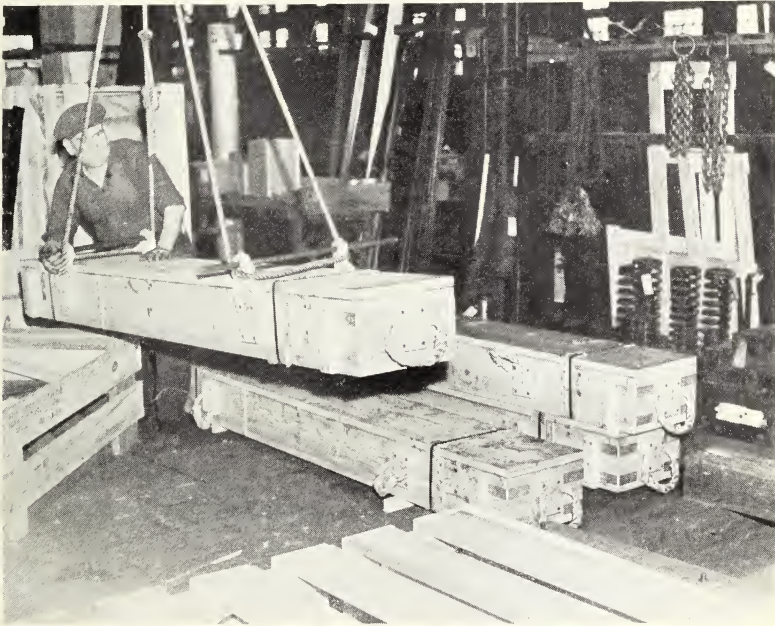
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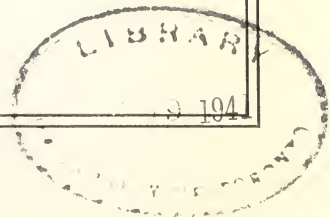
**Canadian-made Bofors Anti-aircraft Guns crated for Shiment**

*Photo—Public Information*

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THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER





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No. 1946

## MR. COSGRAVE ON TOUR OF CANADA

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia (whose territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies), has arrived on a visit to Canada and will begin at once a tour of the Dominion in the interest of Canadian trade with Australia. Mr. Cosgrave will first visit centres in the Maritime Provinces, then in Quebec, Ontario, the Prairie Provinces and British Columbia. The earlier part of his itinerary is as follows:—

Saint John and district.. . . .	May 21	Quebec and district.. . . .	May 29
Black's Harbour.. . . .	May 22	Sherbrooke and district.. . . .	May 30
Halifax.. . . .	May 23	Montreal and district.. . . .	June 2 to 18
Summerside.. . . .	May 26		

Firms wishing to be brought in touch with Mr. Cosgrave should communicate with the Board of Trade or Chamber of Commerce of the centres named.

## CANADIAN TRADE WITH LATIN AMERICA

YVES LAMONTAGNE, DIRECTOR OF COMMERCIAL RELATIONS

### I. Exports

Canada's aggregate exports to the Latin American countries constitute only a small part of Canadian exports to the world. In 1940 the total value of exports of Canadian products to the world, gold excluded, amounted to \$1,193,217,000. Of this total, Canada's exports to the Latin American countries as a whole were valued at \$26,869,000 or 2.25 per cent. The combined population of the twenty-one countries (including twenty republics and the American dependency of Puerto Rico) is approximately 130,000,000, and their aggregate imports in 1939 were estimated at about \$1,430,000,000. Our exports to this group of countries in 1939 totalled \$20,760,995.

It should be kept in mind, when considering the relatively small volume of our exports to Latin America, that the bulk of Canada's trade is with the United States and the British Empire, and that this is due, on the one hand, to the proximity of the United States, and, on the other, to our own relationship with the United Kingdom, the Dominions and the Colonies, our trade with which is fostered under preferential duties. During the decade 1930-1939 the percentage of our exports to the United States and the British Empire together averaged 83.5 per cent of our total exports to the world.

Among the factors which may be mentioned as having contributed to maintain the volume of our exports to Latin America at a low level is the fact that the trade of the Latin American countries has been primarily directed toward Europe and that their products are for the most part similar to, and competitive with those of Canada, their industries being principally agriculture and mining. The lack of adequate facilities as regards shipping has also been

a handicap. During the last decade exchange control and other import restrictions imposed by a number of the Latin American countries, chiefly those of South America, have hindered export from Canada to this group as a whole.

The following table shows the value and percentage of Canadian exports during 1940 to the British Empire, the United States, Latin America and other foreign countries:—

*Canadian Exports by Major Destinations in 1940*

	\$	Per Cent
United Kingdom . . . . .	508,096,000	42.60
Other Empire countries . . . . .	147,861,000	12.40
United States . . . . .	442,984,000	37.10
Latin America . . . . .	26,869,000	2.25
Other foreign countries . . . . .	67,407,000	5.65
Total . . . . .	1,193,217,000	100.00

LATIN AMERICAN COUNTRIES AND THEIR POPULATION

The twenty-one Latin American countries may conveniently be divided into three geographically distinct groups (population in thousands):—

1. The seven republics of Central America, which include Costa Rica (639); Guatemala (3,284); Honduras (1,038); Mexico (19,848); Nicaragua (1,172); Panama (573), excluding the Canal Zone, which is American; and El Salvador (1,744). In this group there are 28,300,000 people.

2. The three republics of the Caribbean Sea, Cuba, Haiti and San Domingo, and the American dependency of Puerto Rico. Cuba (4,228), which was a Spanish Colony until the end of 1898, gives the United States the benefits of special reductions on the tariff rates, which do not apply to Canada. Haiti (3,000), which occupies the western third of the Island of Hispaniola, was a French Colony from 1677 until it became independent in 1804; San Domingo (1,581) occupies the eastern portion of the island. Puerto Rico (1,724), the fourth largest island of the Greater Antilles, became a dependency of the United States after the Spanish-American war. The total population of this group is 10,607,000.

3. The ten republics of South America: Argentina (13,130), Bolivia (3,426), Brazil (45,002), Chile (4,677), Colombia (8,702), Ecuador (3,100), Paraguay (1,000), Peru (6,673), Uruguay (2,123), and Venezuela (3,491). These countries have a total population of 91,300,000.

VALUE AND TREND OF CANADIAN EXPORTS, 1929-1940

The general trend in the value of Canadian exports to the Latin American countries since the prosperity level of 1929 may be briefly outlined.

First, there was the severe world-economic depression which extended from the boom year of 1929 to the 1932 low, after which there was an upturn and gradual improvement which attained its peak in 1937. The depression was marked by a drastic fall in prices and a sharp contraction in world trade which caused a number of the Latin American countries to adopt exchange control and other measures to restrict imports. After 1937 a minor depression set in, but this was of short duration and there was an improvement in world trade in 1938 owing to increased demand for armaments.

The hostilities which broke out in Europe in 1939 again altered the picture. The Latin American countries were particularly affected by the declaration of war with Germany, whose share in their trade was considerable. Their difficulties were increased as they were shut off from one country after another in Europe. The result has been a very substantial decrease in the purchasing



power of the Latin American countries, more pronounced, of course, in the case of some of them, and a profound change is being effected in their internal economy and foreign trade.

The Latin American countries have been obliged to look to Canada and to the United States as sources of supply for some of the products which they formerly obtained from the European continent, and for this reason Canada's exports to Latin America in 1940 show an increase of 29.4 per cent in value over the 1939 figures, and of 51.5 per cent above the 1938 level.

The following table shows the value and distribution of Canadian exports to each of the twenty-one countries in the peak year of 1929, the 1932 low, the 1937 peak, the pre-war year of 1938 and in 1940:—

*Canadian Exports to Latin America*

	1929	1932	1937	1938	1940
	Thousands of Dollars				
Costa Rica .. . . .	137	47	109	99	211
Guatemala .. . . .	189	104	88	120	204
Honduras .. . . .	140	118	176	161	128
Mexico .. . . .	2,501	1,219	3,419	2,340	4,328
Nicaragua .. . . .	72	19	76	75	131
Panama .. . . .	1,086	245	376	304	532
San Salvador .. . . .	123	18	59	47	194
Total .. . . .	4,248	1,770	4,303	3,146	5,728
Caribbean—					
Cuba .. . . .	4,284	1,048	1,868	1,233	1,859
Domingo .. . . .	248	293	137	296	192
Haiti .. . . .	170	74	165	120	128
Puerto Rico .. . . .	963	318	423	329	657
Total .. . . .	5,670	1,643	2,593	1,978	2,836
South America—					
Argentina .. . . .	19,603	2,962	7,294	4,675	6,107
Bolivia .. . . .	159	61	113	117	238
Brazil .. . . .	5,084	1,136	5,003	3,522	5,070
Chile .. . . .	2,745	137	928	604	1,441
Colombia .. . . .	1,715	401	1,144	1,270	1,442
Ecuador .. . . .	143	21	72	52	132
Paraguay .. . . .	70	3	10	11	14
Peru .. . . .	1,694	787	1,237	892	1,531
Uruguay .. . . .	1,009	113	434	216	610
Venezuela .. . . .	1,536	371	1,320	1,256	1,720
Total .. . . .	33,759	5,992	17,555	12,615	18,305
Grand total .. . . .	43,677	9,405	24,451	17,739	26,869

It would appear difficult, because of the various factors which have affected world trade in general and the trade of the Latin American states in particular, to discern any definite trend in the nature of Canada's exports to this group of countries during the last ten or twelve years. There have been important economic developments during this period. The institution by some of the Latin American republics of foreign exchange control has constituted an obstacle to imports, and some of them have been endeavouring to foster local industries under the protection of the tariff and by other measures. Certain conclusions, however, may be arrived at from an analysis of our detailed exports as published annually by the Dominion Bureau of Statistics.

While for certain commodities we have permanently lost, or experienced a gradual reduction in, our export trade to certain Latin American countries, there is evidence to show that we have increased our exports to, and even found new markets in, some of the others.

For instance, because of the world economic depression of 1929 to 1932, Canada definitely lost her markets for automobiles in South America. The value of Canada's aggregate exports of products of all kinds to Latin America in 1940 was \$26,869,000 or \$16,808,000 less than the total for 1929. The exports to Latin

America in 1929 included a total of \$8,822,000 for automobiles and parts, of which Argentina took about half. The depression induced the American manufacturers of motor cars to divert to their own factories the business formerly carried on with Latin America by Canadian branch plants. In 1932 Canada's total exports of automobiles to these countries amounted to only \$34,000 and since then the value of these exports has remained at about the same level.

In 1929, again, Canada exported sewing machines to Argentina and their value in that year amounted to \$1,373,000. In 1932 exports of sewing machines to that country were practically nil. In 1934 and 1935 they were respectively \$365,000 and \$392,000 and since 1936 Canadian exports of sewing machines to Argentina have been nil.

In respect to these two classes, automobiles and sewing machines, therefore, Canada lost markets which in 1929 represented business with a total value of \$10,155,000.

#### COMMODITY BAROMETERS

An examination of Canada's exports to the Latin American states shows that there are seven commodities, or groups of products, which together have constituted about 60 per cent of the total value of Canadian exports to these countries during the last decade, and which can, therefore, be utilized as barometers of Canadian sales to Latin America. These are: dried codfish, potatoes, farm implements, sewing machines, rubber tires, newsprint and chemicals. The following table shows the total value of Canada's exports of each of these groups during the four critical years which determine the movement of our exports to Latin America since the peak of 1929:—

#### *Variations in Exports of Key Canadian Products to Latin America*

Commodities	1929	1932	1937	1938	1940
	Thousands of Dollars				
Newsprint . . . . .	3,379	2,256	5,626	2,427	9,162
Rubber tires . . . . .	3,917	638	2,189	1,965	1,711
Sewing machines . . . . .	3,426	205	2,466	1,540	1,671
Chemicals . . . . .	1,642	1,112	1,238	1,342	1,611
Farm implements . . . . .	5,907	182	2,802	2,295	1,323
Potatoes . . . . .	2,168	383	1,894	528	1,280
Codfish, dried . . . . .	1,856	434	459	422	727
Total . . . . .	22,295	5,210	16,674	10,519	17,485
Total exports to Latin America . . . . .	43,677	9,405	24,451	17,739	26,869
Ratio key products to total	Per Cent 51	Per Cent 55	Per Cent 68	Per Cent 60	Per Cent 64

The foregoing table shows that the value of total exports of the seven groups of commodities in 1940 was 21 per cent below the 1929 level. The most pronounced decrease was 77 per cent in farm implements. The decrease in exports of dried codfish was 60 per cent; rubber tires, 56 per cent; sewing machines, 51 per cent; and potatoes, 32 per cent. On the other hand, Canada's exports of newsprint to Latin America have increased and were 184 per cent higher last year than in 1929. An analysis of the changes which have taken place is interesting.

*Codfish.*—Canada has for many years found profitable markets for dried, salted and smoked fish, such as cod, pollock, hake and herring, in the Caribbean islands, Brazil and Panama. Total Canadian exports of such fish to Latin America in 1940 amounted in value to \$925,000, of which dried cod aggregated \$726,870. From a total value of \$1,856,000 in 1929, exports of dried cod to the twenty-one countries decreased to \$454,000 in 1932 and, during the eight years 1932 to 1939, the average was \$441,000. The principal markets in 1929 were: Puerto Rico (\$865,000), Cuba (\$655,000), Brazil (\$227,000), and Panama

(\$56,000). In 1940 total exports of dried cod rose to \$727,000 as against \$422,000 in 1939. Last year the distribution was: Puerto Rico (\$380,000), Cuba (\$177,000), Panama (\$85,000), and Brazil (\$15,000). Since the outbreak of the war in Europe, Canada has experienced increased competition from Iceland and Newfoundland, which have had to find other markets for fish to replace those which they have lost as a result of the war.

*Potatoes.*—Before 1929 the Maritime Provinces exported potatoes, mainly seed, to only two of the twenty-one Latin American countries, namely Cuba and Panama. Exports to the former amounted to \$2,056,000, while shipments to Panama were valued at \$112,000. In 1932 exports to Cuba decreased to \$382,000, while Panama took less than \$1,000 worth. Exports remained at about this level until 1936 when they doubled in value. Exports to Cuba in that year rose to \$415,000, while new markets were being entered, including Argentina, Uruguay, and Venezuela. Shipments of seed potatoes to Argentina in 1937 reached the high total of \$1,358,000 or about three times the value of the exports to Cuba that year. In 1939 exports to Argentina were valued at \$646,000 as against \$431,000 to Cuba, \$90,000 to Venezuela and \$13,000 to Uruguay. In 1940 exports to Venezuela amounted to \$463,000 as compared with \$459,000 for Cuba, \$261,000 for Argentina, \$89,000 for Uruguay, and \$8,000 for the other Latin American states.

*Sewing Machines.*—As previously mentioned, Canada lost the Argentinian market for sewing machines during the depression years 1930-1932. In 1929 Canada exported sewing machines to Brazil, Argentina and Uruguay, the respective value of these exports being \$1,942,000, \$1,373,000 and \$111,000, a total of \$3,426,000. In 1932 total exports of sewing machines to Latin America had dwindled to \$205,000, limited to Brazil. In 1937 Canada entered another market, Mexico, which took a total of \$398,000 worth, while two other countries, Brazil and Uruguay, took shipments valued at \$2,026,000 and \$42,000 respectively. In 1940 sales were effected to two countries only; out of a total of \$1,671,000 exports to Brazil accounted for \$1,167,000 and to Mexico for \$504,000.

*Farm Implements.*—Canadian exports of agricultural machinery and parts to Latin America in 1929 were confined to three South American countries: Argentina (\$5,764,000), Chile (\$75,000) and Uruguay (\$68,000), making a total of \$5,907,000. The depression which followed brought about a drastic curtailment of these exports; in 1932 their aggregate value had fallen to \$182,000, while in 1933 the total was only \$156,000 and Argentina the sole destination. In 1934 exports to Chile and Uruguay were resumed, and in 1936 new markets appeared—Brazil, Colombia, Mexico and Peru, but the value of shipments to these countries was small. In 1937 exports of farm implements to Latin America again reached a peak with a total value of \$2,802,000, of which \$2,450,000 was for Argentina, \$184,000 for Uruguay and \$62,000 for Chile, leaving \$106,000 taken up mainly by Mexico, Brazil, Colombia, Peru and Ecuador.

Since 1937 Canadian exports of farm implements to Latin America have been progressively downward, and in 1940 they amounted to \$1,323,000 or a little less than half of the 1937 total. Last year sales to Argentina dropped to \$1,001,000. Shipments to Uruguay amounted to \$129,000 and exports to Chile increased to \$103,000, while there were smaller exports to all of the other South American countries. Mexico, Nicaragua and Cuba also figured in the list of destinations, but only for small amounts.

*Rubber Tires.*—In 1929 Canadian exports of rubber tires to Latin America aggregated \$3,917,000 including \$3,833,000 for South America, of which Argentina accounted for \$1,679,000; Brazil, \$1,307,000; Chile, \$249,000; Venezuela, \$203,000; Colombia, \$158,000; Peru, \$121,000; and Uruguay, \$116,000. In 1932 aggregate exports of tires to the South American republics fell to \$576,000. Shipments to



Argentina in that year amounted to only \$50,000, while Brazil was credited with \$223,000, Colombia with \$116,000; Venezuela, \$92,000; Peru, \$68,000; Uruguay, \$11,000; and Chile, \$7,000.

From the low of 1932, tire exports to South America increased to \$2,035,000 in the peak year 1937. Shipments to Brazil in the latter year rose to \$857,000, but exports to Argentina dwindled to only \$31,000, while Uruguay took less than \$2,000 worth. Shipments to Chile and Peru were lower than in 1932 but there were increases in the case of Colombia and Argentina. In 1940 total tire exports to the South American republics amounted to \$1,545,000 and the main destinations, in order of importance, were: Brazil, \$351,000; Colombia, \$349,000; Venezuela, \$339,000; Peru, \$221,000; Chile, \$198,000. Bolivia was credited with \$60,000 and Argentina with only \$12,000. The practical elimination of the Argentinian market since 1929 began with the disappearance of Canadian automobile exports to that country, followed by the development of the local rubber industry, which is in a position to supply Argentina's own requirements.

There are only two countries in the Latin countries of the Caribbean which provide a market for Canadian tires. The requirements of Cuba and Puerto Rico are supplied by the United States. Canadian shipments to San Domingo and Haiti were respectively \$27,000 and \$11,000 in 1929, and \$32,000 and \$15,000 in 1940.

In Central America, Panama was the sole importer of Canadian tires in 1929, exports to that country totalling \$46,000. Since that year, however, all the other markets of Central America have been gradually entered, and aggregate exports in 1940 were valued at \$117,000, ranging from \$44,000 for Panama to \$20,000 for Guatemala, \$18,000 for Costa Rica, \$15,000 for Mexico, \$12,000 for Honduras, \$7,000 for Salvador and \$1,238 for Nicaragua.

*Chemicals.*—Four of the Latin American countries constituted outlets for Canadian sodium compounds and other inorganic chemicals in 1929 to 1932. Canada's exports of these products totalled \$1,642,000 in 1929, Mexico taking the bulk of these shipments (soda \$1,177,300 and other chemicals \$156,931). Honduras took a total of \$44,900 in sodium compounds, while Cuba took a value of \$166,742 and Venezuela \$96,277 in other chemicals. In 1932 there were no shipments to Honduras, but exports to the other three countries aggregated \$1,112,000.

After 1932 other markets were found for these chemicals, including Nicaragua, Salvador, Costa Rica, Panama, Guatemala, Chile, Peru, Paraguay and Ecuador, and in 1937 aggregate exports to Latin America totalled \$1,238,000.

In 1940 the value of these exports rose to \$1,611,000, including sodium compounds at \$1,063,000 and calcium carbide at \$548,000.

Shipments of sodium compounds last year were made chiefly to Mexico, whose share was about 90 per cent of the total value, the balance going to Honduras, Peru, Nicaragua and Ecuador.

Exports of calcium carbide, which were limited to three of the Latin American countries in 1929, were distributed among sixteen of the twenty-one countries in 1940. Aggregate exports to the South American group amounted to \$419,800, the chief destinations being Chile (\$133,900), Argentina (\$107,000) and Venezuela (\$95,600), the remainder going to Bolivia, Colombia, Peru, Ecuador and Uruguay. In the Caribbean, shipments were effected to Cuba (\$95,800) and San Domingo (\$2,800). The seven Central American republics accounted for a total of \$29,500.

*Newsprint.*—There has been a slight difference in the evolution of Canadian exports of newsprint to Latin America as compared with the trend in other Canadian exports to these markets since 1929. Whereas the peak in sales of the six groups of commodities already considered was reached in 1929, the peak

for newsprint occurred in 1930, when the total value of these exports rose to \$4,967,000 as compared with \$3,379,000 in the previous year. Shipments to Argentina in 1930 amounted to \$4,015,000, representing about 80 per cent of the total exports of newsprint to Latin America in that year. Cuba, the second largest market, was credited with \$549,000 and was followed by Uruguay with \$172,000; Colombia, \$79,000; Chile, \$74,000; Panama, \$33,000; and Peru and Venezuela with about \$23,000 each.

The bottom of the depression was reached in 1932 in the case of most Canadian exports to Latin America, but the low year for newsprint was experienced in 1933, when shipments to these countries aggregated \$1,765,000, Argentina leading with a total of \$1,291,000.

The upturn, which took place in 1933, lasted until 1937, when newsprint shipments to the Latin American countries reached a total of \$5,626,000. During this period new markets were developed, and in 1937 the most important of these new outlets were Mexico (\$787,000), Brazil (\$363,000) and Puerto Rico (\$142,000), while considerably smaller shipments were made to Ecuador, Salvador, San Domingo, Guatemala, Honduras, and Nicaragua. Thus ten new markets were added to the eight to which Canada exported in 1930.

Canada's total exports of newsprint to these countries decreased to \$2,427,000 in the pre-war year of 1938. The following year they amounted to \$3,090,000 and in 1940, the first full year since the war began, the value of aggregate newsprint exports to the Latin American countries jumped to \$9,162,000. This tremendous increase has been due mostly to the effect of the war on the export trade of Scandinavia and other European producers of newsprint. The three main Latin American markets for the Canadian product in 1940, in order of importance, were Argentina (\$3,758,000), Brazil (\$1,650,000) and Mexico (\$1,399,000), together representing about 75 per cent of the total value of newsprint exports to nineteen of the twenty-one countries in this group, there being no shipments to Haiti and Paraguay.

EXPORTS OF KEY COMMODITIES IN 1940 AND 1938

The following tables show the value and distribution of Canada's exports during 1940 and 1938 of seven key groups of commodities which aggregated 65 per cent of Canada's total exports of products of all kinds to Latin America in 1940:—

*Exports of Key Commodities to Latin America in 1940*

	News- print	Rubber Tires	Sewing Machines	Chemi- cals	Farm Imple- ments	Pota- toes	Cod- fish
Figures in Thousands of Dollars							
Central America—							
Costa Rica . . . . .	29	18	....	7	1	....	2
Guatemala . . . . .	25	20	....	1	....	....	....
Honduras . . . . .	8	12	....	70	....	....	....
Mexico . . . . .	1,399	15	504	940	4	....	2
Nicaragua . . . . .	12	1	....	22	2	....	....
Panama . . . . .	58	44	....	2	....	....	85
Salvador . . . . .	42	7	....	8	....	....	....
Total . . . . .	1,573	117	504	1,050	7	....	89
Caribbean—							
Cuba . . . . .	601	9	....	96	1	459	177
San Domingo . . . . .	17	38	....	3	....	4	10
Haiti . . . . .	....	11	....	....	....	....	56
Puerto Rico . . . . .	99	....	....	....	....	....	380
Total . . . . .	717	58	....	99	1	463	623

*Exports of Key Commodities to Latin America in 1940—Concluded*

	News- print	Rubber Tires	Sewing Machines	Chem- icals	Farm Imple- ments	Pota- toes	Cod- fish
	Figures in Thousands				of Dollars		
South America—							
Argentina . . . . .	3,758	12	....	107	1,001	261	....
Bolivia . . . . .	30	60	....	32	6	....	....
Brazil . . . . .	1,650	351	1,167	....	48	1	15
Chile . . . . .	308	198	....	134	103	....	....
Colombia . . . . .	181	349	....	24	2	....	....
Ecuador . . . . .	49	1	....	15	2	3	....
Paraguay . . . . .	....	1	....	....	8	....	....
Peru . . . . .	383	221	....	50	12	....	....
Uruguay . . . . .	340	4	....	4	129	89	....
Venezuela . . . . .	173	339	....	96	4	463	....
Total . . . . .	6,872	1,536	1,167	462	1,315	817	15
Grand total . . . . .	9,162	1,711	1,671	1,611	1,323	1,280	727

*Exports of Key Commodities to Latin America in 1938*

	News- print	Rubber Tires	Sewing Machines	Chem- icals	Farm Imple- ments	Pota- toes	Cod- fish
	Figures in Thousands				of Dollars		
Central America—							
Costa Rica . . . . .	....	11	....	3	....	....	2
Guatemala . . . . .	....	38	....	....	1	....	....
Honduras . . . . .	2	22	....	56	....	....	....
Mexico . . . . .	6	11	189	1,026	2	....	....
Nicaragua . . . . .	....	4	....	24	....	....	....
Panama . . . . .	38	57	....	....	....	1	20
Salvador . . . . .	3	10	....	11	....	....	....
Total . . . . .	49	153	189	1,120	3	1	20
Caribbean—							
Cuba . . . . .	338	....	....	91	1	251	211
San Domingo . . . . .	1	28	....	....	1	1	....
Haiti . . . . .	....	12	....	5	....	....	29
Puerto Rico . . . . .	88	....	....	....	....	....	137
Total . . . . .	427	40	....	96	2	252	377
South America—							
Argentina . . . . .	1,716	25	....	....	2,076	240	....
Bolivia . . . . .	3	50	....	4	3	....	23
Brazil . . . . .	1	657	1,317	....	45	....	....
Chile . . . . .	51	148	....	14	53	....	....
Colombia . . . . .	6	293	....	9	17	....	....
Ecuador . . . . .	....	....	....	25	1	....	....
Paraguay . . . . .	....	5	....	....	3	1	....
Peru . . . . .	21	217	14	10	5	....	....
Uruguay . . . . .	63	....	....	....	86	9	....
Venezuela . . . . .	90	377	....	73	1	25	....
Total . . . . .	1,951	1,772	1,331	135	2,290	275	23
Grand total . . . . .	2,427	1,965	1,520	1,351	2,295	528	420

## COMPARISON OF CANADIAN EXPORTS IN 1938 AND 1940

During the pre-war year 1938 the value of Canada's exports to the twenty-one Latin American countries totalled \$17,739,000. During 1940, the first full year since the opening of hostilities in Europe, Canada's exports to Latin America aggregated \$26,869,000, an increase of \$9,130,000 or 51.5 per cent. The improvement in exports of a single item, newsprint (valued at \$9,162,000 in 1940), represented \$7,735,000 of this increase.

In the foodstuffs group (which aggregated \$4,170,000 in 1940) there was an increase of \$1,944,000, which is accounted for mainly by the following increases in the value of exports of six items: potatoes, \$752,000; fish, dried,



salted or smoked, \$327,000; malt, \$298,000; wheat flour, \$198,000; wheat, \$129,000; and canned milk, \$34,000; these products constituting the principal items in this category.

There was a decrease of \$593,000 in 1940 in the value of Canadian exports of metals and products, which totalled \$6,526,000, comprising iron and its products (\$4,429,000) and non-ferrous metals and products (\$2,097,000). The decrease was in the iron and products group, which fell by \$628,000, and was due chiefly to a reduction of \$967,000 in the value of exports of agricultural machinery, compensated in part by an increase of \$210,000 in exports of iron pipes and fittings.

In the rubber group, exports of which totalled \$2,316,000 in 1940 (including tires, tubes, belting, boots and shoes, etc.), there was a decrease of \$254,000, mainly accounted for by a fall in exports to Brazil.

Exports of non-metallic minerals and products, including mainly asbestos and abrasives, totalled \$365,000 in 1940, an increase of \$172,000 over 1938.

Exports in the textile group, which includes felt, cotton and silk goods, and cordage, totalled \$474,000 in 1940, an increase of \$290,000 over the 1938 aggregate, attributable largely to increased sales of felts and silk manufactures.

### MAIN ITEMS OF CANADIAN EXPORTS TO LATIN AMERICA IN 1940

The following table shows the values of the principal Canadian commodities exported to the three main geographical groups in Latin America during 1940:—

#### *Principal Commodities Exported to Latin America in 1940*

	Central America	Caribbean Thousands	South America of Dollars	Total
Newspprint . . . . .	1,573	717	6,872	9,162
Rubber tires . . . . .	117	58	1,536	1,711
Rubber, other . . . . .	96	13	492	601
Sewing machines . . . . .	504	....	1,167	1,671
Farm implements . . . . .	7	1	1,315	1,323
Iron and products . . . . .	178	25	1,026	1,229
Non-ferrous metals and products . . . .	224	40	460	724
Chemicals . . . . .	1,050	99	462	1,611
Potatoes . . . . .	....	463	817	1,280
Codfish, dried . . . . .	89	623	15	727
Fish, other, dried . . . . .	7	167	23	197
Malt . . . . .	158	210	112	480
Flour of wheat . . . . .	118	127	166	411
Milk, canned . . . . .	1	....	358	359
Pulp . . . . .	85	6	236	327
Box shooks . . . . .	....	....	305	305
Furs . . . . .	97	....	171	268
Silk products . . . . .	66	5	117	188
Fertilizers . . . . .	123	56	5	184
Felt manufactures . . . . .	109	11	57	177
Wheat . . . . .	88	....	85	173
Wrapping paper . . . . .	....	....	....	138
Asbestos . . . . .	23	1	98	122
Whisky . . . . .	77	11	34	122
Oatmeal . . . . .	7	....	98	105
Leather, unmanufactured . . . . .	54	21	28	103
Paints, pigments . . . . .	12	2	88	102
Brushes . . . . .	30	3	58	91
Other . . . . .	835	177	2,104	2,988
Total . . . . .	5,728	2,836	18,305	26,869

## II. Imports

Trade is an exchange of products, which may be bilateral, trilateral or multilateral. The institution of various systems of foreign exchange control in a number of the Latin American countries makes it even more necessary than in

the past to realize the essential fact that the more we purchase from a particular country, the more we may expect that country to buy from us, and conversely, of course, to the mutual benefit.

A brief examination of Canada's imports from the Latin American countries is, therefore, a necessary corollary to a study of Canada's exports to those states.

The variation in the volume of our imports from Latin America from year to year since 1929 closely parallels that of our exports. From the 1929 high our imports slumped to the low level of 1932, after which an upturn set in which continued until 1937, when another peak was reached. The following year there was a decrease in imports, but the trend from 1938 to 1940 has been upward.

The following table shows the value and distribution of imports from each of the twenty-one countries, grouped into three main geographical regions, in 1929, 1932, 1937, 1938 and 1940:—

*Imports from Latin America by Countries*

	1929	1932	1937	1938	1940
	Thousands of Dollars				
Central America—					
Costa Rica . . . . .	120	38	78	76	113
Guatemala . . . . .	31	11	52	85	59
Honduras . . . . .	174	1	67	38	46
Mexico . . . . .	829	1,044	624	576	734
Nicaragua . . . . .	27	2	1	....	2
Panama . . . . .	....	3	5	16	23
Salvador . . . . .	14	....	....	17	44
Total . . . . .	1,195	1,099	827	808	1,021
Caribbean—					
Cuba . . . . .	3,565	742	835	440	1,431
Haiti . . . . .	72	....	59	62	227
San Domingo . . . . .	1,803	147	....	....	3,792
Puerto Rico . . . . .	5	2	184	137	85
Total . . . . .	5,445	891	1,078	639	5,535
South America—					
Argentina . . . . .	9,138	992	6,242	2,149	6,542
Bolivia . . . . .	....	....	58	8	34
Brazil . . . . .	1,735	754	848	769	6,243
Chile . . . . .	608	24	68	179	175
Colombia . . . . .	6,939	3,422	4,790	6,903	9,851
Ecuador . . . . .	....	3	37	28	26
Paraguay . . . . .	....	14	37	58	64
Peru . . . . .	7,498	3,772	4,586	3,005	712
Uruguay . . . . .	32	25	184	137	431
Venezuela . . . . .	228	935	2,467	1,469	3,118
Total . . . . .	26,228	9,941	19,317	14,706	27,196
Grand total . . . . .	32,868	11,931	21,222	16,153	33,752

The foregoing table shows that the reduction in the value of total imports into Canada from the twenty-one countries from 1929 to 1932 has been compensated by the increase from 1937 to 1940.

There have been considerable changes in the distribution of imports from South America during this period. The table brings out the fact that the substantial reduction in purchases of petroleum from Peru since 1929 has been compensated by an increase in purchases from Colombia and Venezuela; while, as regards the Caribbean, the reduction in sugar imports from Cuba has been made up by increased purchases from San Domingo.

Imports from the Central American Republics have been fairly constant during the last twelve years, and over this period three-quarters of these imports have been from Mexico, from which country Canada's purchases have consisted mainly of coffee and fresh tomatoes. The other countries in this group have supplied Canada with fruits (bananas, oranges, grapefruit) and coffee.

Sugar and unmanufactured tobacco, the latter supplied by Cuba, are the principal commodities which we import from the four Latin countries in the Caribbean. From these we also obtain molasses, pineapples, rum and coffee.

From the South American republics our main imports in the past have been petroleum (Colombia, Peru and Venezuela) and coffee (chiefly Brazil and Colombia). Argentina has supplied us principally with maize, flaxseed and cattle hides; Argentina, Uruguay and Brazil with canned meats; Chile mainly with nitrate of soda.

The following table shows the value of our imports from the Latin American countries in 1929, 1932, 1937, 1938 and 1940, of the twelve principal items which have represented from 80 to 90 per cent of the total value of imports from these countries since 1929:—

*Principal Commodities Imported from Latin America*

	1929	1932	1937	1938	1940
		Thousands of Dollars			
Petroleum . . . . .	12,031	7,357	10,819	9,649	12,711
Sugar . . . . .	5,833	502	395	73	5,105
Coffee . . . . .	3,015	1,551	1,330	1,310	2,050
Hides and skins . . . . .	986	247	2,132	547	1,741
Maize . . . . .	161	19	1,703	167	1,574
Flaxseed . . . . .	2,538	336	1,601	932	1,294
Wool, raw . . . . .	47	13	....	....	1,079
Meats, canned . . . . .	717	267	603	568	1,066
Tomatoes, fresh . . . . .	278	851	525	349	360
Fruits and nuts . . . . .	16	75	496	131	349
Tobacco, raw . . . . .	752	256	32	115	144
Nitrate of soda . . . . .	606	2	57	170	115
Total . . . . .	26,980	11,476	19,693	14,011	27,588

The changes which have occurred in the movement of our imports from Latin America during the last twelve years are, as has already been noted, most marked as regards the South American group.

In 1940 imports from Peru amounted to only \$712,000 as compared with \$7,498,000 in 1929. Imports from Venezuela and Colombia, on the other hand, rose to \$3,118,000 and \$9,851,000 respectively in 1940 as against \$228,000 and \$6,989,000 respectively in 1929. Petroleum constitutes our main imports from these three countries.

Our total imports from Brazil last year amounted to \$6,243,000 as compared with \$1,735,000 in 1929, whereas our purchases from Argentina were valued at \$6,542,000 in 1940 as against \$9,138,000 in 1929. The increase in imports from Brazil last year was caused mainly by commodities which we did not import from that country before, such as raw cotton, or of which our purchases were negligible, such as raw wool and cotton-seed oil.

### III. Balance of Trade

Up to, and including 1939, Canada has had a favourable balance in its aggregate trade with the Latin American countries. In 1940, however, the balance of trade was substantially in favour of Latin America.

Breaking down this trade into the three main groups of countries, however, it is found that our trade with the Central American group has remained substantially in favour of Canada. As regards the Caribbean, the balance of trade, which from 1932 to 1938 was favourable to Canada, became unfavourable in 1940.

With respect to South America, with which Canada had a favourable balance in 1929, the position was reversed from 1932 to 1938 and in 1940 the balance of trade was substantially favourable to the South American republics



as a whole, although it remained favourable to Canada as regards its trade with some of these countries.

As regards petroleum, it may be pointed out that, in countries where operations are carried out by foreign concerns (usually under a system of royalties), these countries consider that their exports of petroleum only provide foreign exchange in amounts which are considerably below the values shown in the trade returns and that such values, therefore, do not represent purchasing power available to them.

The following table shows the value of Canadian exports to Latin America by countries and of imports from Latin American countries, together with the favourable (+) and unfavourable (—) balances in 1938 and 1940:—

*Canada's Balance of Trade with Latin America in 1938 and 1940*

	1938			1940		
	Exports	Imports	Balance	Exports	Imports	Balance
	Thousands of Dollars					
Central America—						
Costa Rica . . . . .	99	76	+ 23	211	113	+ 98
Guatemala . . . . .	120	85	+ 35	204	59	+ 145
Honduras . . . . .	161	38	+ 123	128	46	+ 82
Mexico . . . . .	2,340	576	+1,764	4,328	734	+3,594
Nicaragua . . . . .	75	....	+ 75	131	2	+ 129
Panama . . . . .	304	16	+ 288	532	23	+ 509
Salvador . . . . .	47	17	+ 30	194	44	+ 150
Total . . . . .	3,146	808	+2,338	5,728	1,021	+4,707
Caribbean—						
Cuba . . . . .	1,233	440	+ 793	1,859	1,431	+ 428
San Domingo . . . . .	296	....	+ 296	192	3,792	—3,600
Haiti . . . . .	120	62	+ 58	128	227	— 99
Puerto Rico . . . . .	329	137	+ 192	657	85	+ 572
Total . . . . .	1,978	639	+1,339	2,836	5,535	—2,699
South America—						
Argentina . . . . .	4,675	2,149	+2,526	6,107	6,542	— 435
Bolivia . . . . .	117	8	+ 109	238	34	+ 204
Brazil . . . . .	3,522	769	+2,753	5,070	6,243	—1,173
Chile . . . . .	604	179	+ 425	1,441	175	+1,266
Colombia . . . . .	1,270	6,903	—5,633	1,442	9,851	—8,409
Ecuador . . . . .	52	28	+ 24	132	26	+ 106
Paraguay . . . . .	11	58	— 47	14	64	— 50
Peru . . . . .	892	3,005	—2,113	1,531	712	+ 819
Uruguay . . . . .	216	137	+ 79	610	431	+ 179
Venezuela . . . . .	1,256	1,469	— 213	1,720	3,118	—1,398
Total . . . . .	12,615	14,706	—2,091	18,305	27,196	—8,891
Grand total . . . . .	17,739	16,153	+1,586	26,869	33,752	—5,883

#### IV. Conclusion

Canada is handicapped at the present time as regards the development of its trade with Latin America by the fact that in Canada's economic life everything must be subordinated to the war effort. The disruption of normal channels of shipping constitutes another difficulty. The foreign exchange and other restrictions which some of the Latin American countries have imposed on their imports and which they have tightened as a result of the loss of their markets in Europe because of the war, constitute further obstacles to the development of Canadian trade with this area.

Nevertheless, it is worthy of note that in spite of these obstacles, there are still a number of goods which Latin America can buy and has bought from Canada in increasing quantities since the war began, such as the products of our mines, our forests, our fisheries and even our manufactures. The value of Canada's aggregate exports to Latin America in 1940 was 50 per cent greater than in 1938. The trade statistics for the first quarter of 1941 show a further

increase in our trade with Latin America. As compared with the first quarter of 1940, Canadian exports to Argentina for the first three months of the present year have doubled in value, while those to Brazil have increased by 53 per cent and to Mexico by 16 per cent. These three countries constitute Canada's best markets in Latin America.

Trade, in the last analysis, is an exchange of products, a two-way process. If we are to continue to sell our goods to the Latin American countries, most of which are, like ourselves, short of foreign exchange, we should buy their goods when it is possible to do so with advantage, in order that they may be able to buy from us. The Latin American countries in particular attach great importance to this point. In this connection, it is significant that Canada's imports of petroleum and raw cotton, among other Latin American products, were considerably higher in 1940 than in 1938.

## NORTHERN IRELAND INDUSTRIES IN 1940

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, March 28, 1941 (delayed).—The whole business life of Northern Ireland has been so controlled by wartime regulations that it is impossible to obtain any figures of trade or to give a detailed picture of how business is progressing.

As an indication of the increase in imports it may be noted that in the 1940 estimates an increase of £1,492,000 was expected in customs and excise revenue, the total being computed at £7,693,000. But the number of unemployed remained at about 70,000 throughout the year, despite the additional war work both in Northern Ireland and in the United Kingdom. Skilled men in the engineering and shipbuilding trades were all absorbed, but the linen industry, a major one in Northern Ireland, was badly hit by the shortage of flax. A number of mills had to close down and others to go on short time, so that there have been many unemployed linen workers. Shopkeepers complained that the new Purchase Tax, amounting on some articles to as high as 33½ per cent but on the average to about 17 per cent, would greatly restrict their turnover. This tax was designed by the Government to restrict spending as well as to raise revenue. So far as 1940 was concerned it stimulated sales, because people rushed to buy many articles which they did not immediately require in order to avoid the tax.

### CONSTRUCTION

Normal construction was slow in 1940, owing to shortage of labour and high costs of materials, but A.R.P. undertakings stimulated certain branches. In addition to private air-raid shelters, over 700 public shelters have been erected in Belfast. As an indication of the reduced building, plans approved by the Belfast City Surveyor totalled only 633 in 1940 as against 2,035 in 1939, representing values of £675,293 and £1,000,080 respectively. Plans for only nine dwelling-houses were passed in 1940 as against 1,811 in 1939 and 1,458 in 1938.

### CLOTHING TRADE

The wholesale clothing trade (not linen) had a good year in 1940. The Minister of Commerce gave the following indication of its activity to Parliament: "Orders which have been received in Northern Ireland include 60,000 denim overalls per week, 30,000 serge battledress suits per week, 60,000 shirts per week, and 100,000 anti-gas haversacks per week. Contracts for denim overalls have been placed with 76 firms amounting to a gross value of £792,000. Contracts will be placed shortly with 36 other firms. There is not sufficient capacity in

Northern Ireland to cope with the order for 30,000 battledress suits per week, but at the moment contracts have been placed for 17,000 suits per week among 15 firms. The gross value of these contracts is approximately £500,000. The capacity of the clothing industry is fully taxed." The Minister pointed out that this was really new business of a class not previously undertaken in Northern Ireland. All the contracts were to run until the end of June, and in May the position was to be reviewed and contracts for further supplies discussed with the Ministry of Supply. Practically every firm in Northern Ireland capable of producing the articles mentioned had been brought within the scheme and would be fully occupied until the end of June, 1941.

#### ELECTRICAL INDUSTRY

The electrical contracting industry on the whole had a busy year, due largely to the requirements of government services. As a result of war conditions, however, contractors were deprived of the work of installing lighting and heating in ordinary buildings. The demand for domestic appliances continued on a large scale, and had it not been for the war the year in this respect would probably have been exceptional. The regulations introduced by the Government for improved lighting conditions in factories, etc., were temporarily suspended, but subsequently revived in order to get more efficient output.

#### BAKERIES

The baking trade flourished in 1940, supplies and quality of flour being good, although fats, sugar and eggs were considerably restricted. In October the use of dairy cream in bakeries was prohibited, and in December the use of synthetic cream containing milk. Owing to the Ministry of Food's subsidy policy, the prices of flour and bread remained virtually stationary. The price of flour has been 26s. 6d. per 280 pounds since last May and has been sold carriage paid to all parts of Northern Ireland.

#### SHIRT MANUFACTURE

Londonderry shirt and collar factories, employing 10,000 hands, had a good year both on government and general contracts.

#### TIMBER

The timber trade as such has ceased to exist during the national emergency. All supplies are bought and imported by the Ministry of Supply's Timber Control and sold under licence only. Timber importers and traders now act solely under the direction of the Ministry and the use of timber is granted only for work approved as being in the national interest. Little can be said about supplies, which fluctuate greatly from week to week.

#### TOBACCO

Although the Chancellor of the Exchequer, in seeking to derive more revenue from the tobacco trade, further increased the duty by 4s. per pound in April and again by 2s. per pound in July, these increases did not affect sales in any way. Brands of various kinds of cigarettes and tobacco have retained their popularity and their respective clientelles. The public are thus helping to provide extra war revenue. The relatives of Ulstermen who have joined the Forces are purchasing quantities of favourite brands for their menfolk away from home.

#### DISTILLING

The distillery and wholesale wine and spirit trade was carried on under difficulties during the year. Distillery production for 1940 was curtailed to



one-third of the quantity produced during the twelve months ending September 30, 1939, and the Ministry of Food recently decided that permits will be issued to distillers, fixing production during 1941 on the same basis. Bonded stocks are ample for present requirements. Turnover was satisfactory in 1940 despite the increased excise duty of 15s. per proof gallon imposed in the April budget. That increase was additional to the 10s. added in September, 1939, so that the duty on whisky now stands at 97s. 6d. per proof gallon as compared with 14s. 9d. before the first Great War. Exports were also well maintained, particularly to the United States and Canada.

#### LINEN INDUSTRY

Government control operated in the linen industry in 1940 from the cultivation of the flax to the sale of every yard of linen goods, just as though the industry were a government department. During the first Great War government requirements of linen were  $1\frac{1}{2}$  million yards per week. Owing to the use of duralumin and other strong light metals for aeroplane wings, etc., the demand is now immeasurably less.

One of the major aims of government control of linen has been to provide dollar exchange. The methods employed vary according to the markets for which the goods are intended. In respect of overseas markets, and especially the United States, the positive method is employed. Every effort is directed to expansion of such shipments, in order to strengthen dollar exchange for payment of the immense armament purchases. Prior to July, 1940, American payments were made on the "free" basis, varying from \$3.16 to \$3.72 to the pound, but it was decreed that from July 18 all business with the United States, either financial or commercial, must be done at the Bank of England official rate (i.e. approximately \$4.02 to the pound). This has added materially to the encouragement sponsored by the export group, viz: the Irish Linen Merchants' Association, whose basic function is to act as a liaison between the government departments dealing with overseas trade and the exporters.

With regard to the "home" trade, two influences came into operation during 1940—the Textile Rationing Order and the Purchase Tax. By the former, which was initiated on May 1, the quota of linen goods released during the subsequent five months (May-September) to United Kingdom customers was rationed at 25 per cent of the quantity sold to them during the similar 1939 period, as against 75 per cent in the case of corresponding cotton and rayon goods. This order became more drastic for the period from October 1 to April 1, 1941. Irrespective of this limitation of supplies, the stiff advance in linen prices exercised a very severe braking effect on the disposal of the 25 per cent quota. Under the Purchase Tax, which became operative on October 21, trade in the United Kingdom home linen market was subjected to a tax of  $33\frac{1}{3}$  per cent ad valorem, although sewing thread and heavy industrial canvas were exempted.

One development, resulting mainly from the severe shortage of flax and to a lesser extent from the restrictions, has been the diversion of many linen looms into the production of cotton cloth and goods, both for war and commercial needs. As a side-line, most of the larger Belfast linen mills always reserve a number of looms for making high-class cotton damasks and other weaves, this provision acting at times as a factor in holding down overhead costs. During 1940, however, collateral cotton-weaving from yarns spun in England gradually increased, so that factories diverted more and more looms. In the long run, however, the policy may not prove so beneficial. The corresponding cotton product is quite attractive, and it is felt that there is always the chance that its cheapness may so appeal that the all-linen article may find it difficult to regain its former preference.

### RAILWAYS

The improvement in the traffic receipts of the Great Northern Railway recorded for 1939 continued in 1940, when gross receipts increased by approximately £150,000 (14 per cent) as compared with the previous year. This increase, however, was offset to a certain extent by the steadily advancing prices of coal, stores and materials for maintenance. Locomotive coal, for example, by the end of 1940 had increased by 35 per cent as compared with the price in 1939. Salaries, wages, etc., also increased in 1940 by some 5 per cent. The black-out restrictions and delays to trains during the hours of darkness, together with customs examinations on both sides of the boundary, caused some difficulties. In addition, during the summer months passenger traffic from the United Kingdom was considerably restricted by the regulations issued by the Government of Northern Ireland prohibiting entry except to persons in possession of a travel permit or identity card, and also the restrictions of the British Government confining cross-Channel passenger traffic to a minimum of essential requirements. The company's fleet of 126 omnibuses for passenger service and 92 lorries for goods services are doing good business, the latter being especially useful for transferring live stock.

### FISHERIES

Northern Ireland sea fishermen had a very successful year in 1940 both quantities landed and values of fish increasing substantially. Catches of herring, scallops and lobsters were smaller, but those of nearly all other kinds of fish showed increases. Excluding shellfish, 70,274 cwt. of fish were taken in 1940 as against 66,425 in 1939, but the values showed a much greater increase at £107,453 as against £54,697. There was a big run of whiting, of which 29,695 cwt. were landed.

The Government of Northern Ireland in 1940 authorized a scheme to assist fishermen to obtain new fishing boats, complete with Diesel engine and gear adaptable for both herring fishing and Danish seine-netting for white fish. Under this scheme the Ministry of Commerce is permitted, in approved cases, to make a conditional grant of 25 per cent of the total cost of a new boat, including engine and gear. Towards the remaining 75 per cent the applicant will be required to make, at the time of purchase, a cash payment of at least 10 per cent of the total cost, and the balance will be advanced by the Ministry as a loan repayable with interest at 4½ per cent. Assuming the cost of a boat with engine and gear to be £2,800, the minimum amount of cash deposit required would be £280, the maximum conditional grant £700, leaving £1,820 as the amount of the loan.

### BUSINESS CONDITIONS IN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, April 1, 1941.—The Government Exchequer returns for the financial year 1940-41, issued to-day, show that, although state revenue was £2,248,912 higher than in 1939-40, it was short of expenditure by £3,134,372. This will have to be taken into account in framing the forthcoming budget. This revenue has in fact exceeded the estimate by £868,659, chiefly through higher values of imports carrying ad valorem duties.

### BUDGET NEEDS

Owing to war and shipping conditions, imports of all kinds are likely to be considerably curtailed during the current fiscal year and so will not prove as fruitful a source of revenue as formerly. In addition, owing to the shortage of gasoline, revenue from motor and petrol taxes will also be considerably

reduced. On the basis of the estimated supply services expenditure and of present revenue, the Government will have to budget for between five and six million pounds sterling of new revenue—a not inconsiderable sum for a small population. The increase in army expenditure amounted to £3,708,985 (£6,682,231 as against £2,973,246) out of a total expenditure of £37,772,031, which in turn was £3,377,008 more than the total of the previous year.

#### IMPORTS AND DOMESTIC SUPPLIES

There is some apprehension in business circles at present owing to the shortage of supplies of all kinds. Merchants cannot obtain replacement stocks and are running low in many imported lines, if not entirely out of them. Manufacturers are often on short time, and some have had to close down for lack of raw material and parts for assembly plants. Shortage of coal and petrol are also slowing up business to a marked extent. Quotations are still being received from the United States and Canada, but deliveries are few and far between. Direct shipping from Canada has ceased, but it is reported that certain supplies are available from and via New York. Canadian shippers who have goods to send to Eire are advised to communicate with Arnold Bernstein, 17 Battery Place, New York; or General Atlantic Steamship Co., 67 Broad Street, New York.

#### EMPLOYMENT

Money seems to be still fairly plentiful, despite increasing unemployment. Many workers are going to Northern Ireland and the United Kingdom for war work, and some are enlisting in the British forces. The local defence forces also absorb many unemployed. There have been few business failures, and most of the good houses are still quite strong financially.

#### AGRICULTURE

The weather has been wet and unfavourable for agriculture of all kinds, and winter wheat is reported to be washed out in places. This condition and the failure of the farmers to complete the necessary legal portion of tillage, has compelled the Government to take over some farms compulsorily. In addition a severe epidemic of foot and mouth disease is rampant amongst cattle, although it now seems to be abating considerably. An official statement has been issued that even supplies of staple foodstuffs are likely to be short until next harvest, and the Government and private organizations have formulated plans to alleviate present and anticipated distress amongst the poorer people.

The Minister of Co-ordination of Defensive Measures is at present in the United States, having flown over last month on a special mission to endeavour to obtain wheat and munitions.

### ECONOMIC CONDITIONS IN SOUTHERN RHODESIA IN 1940

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, March 3, 1941.—The year 1940 was one of general prosperity and business expansion in Southern Rhodesia. Although some trades suffered a setback because of the war, this was more than compensated for by the establishment of records in the Colony's two major fields of activity—the production of tobacco and minerals. Building was also active, particularly towards the close of the year, while secondary industries made further and substantial progress during the period.

The foreign trade of the Colony likewise reached a new high record, both as regards imports and exports, which is indicative of the generally high state of business activity. The position in this regard was well summed up by the



following passage from a statement issued at the beginning of 1941 by the President of the Salisbury Chamber of Commerce: "Trade in general during the year just ended has been well maintained and compares favourably in volume with the immediately preceding period. Some businesses have been hit, but the population of Rhodesia have a great deal to be thankful for in that the war has affected them to an extent which, in comparison with the United Kingdom, is negligible."

Business was, of course, affected by the extensive expansion in the armed forces of the Colony and especially by the establishment of a branch of the Empire Air Training Scheme. The year was also marked by heavy increases in taxation to meet the war expenditure but no restrictions\* were placed upon trade with the British Empire.

#### TOBACCO PRODUCTION

Tobacco production, which is the leading industry of the country, was the greatest in its history, some 34,000,000 pounds of good usable quality being produced as compared with a production of 23,400,000 pounds in 1938-9. With the restriction on imports of tobacco into the United Kingdom from non-sterling countries, the whole of the Southern Rhodesian crop was readily sold at a high average price, reported to be in the neighbourhood of 1s. per pound. As this is a cash crop, the value to the farming and business communities alike was of great importance.

As a result of the favourable conditions in the production and marketing of the 1939-40 crop, it is anticipated that tobacco planting for the 1940-41 crop will be somewhat in excess of the acreage a year ago. At the close of 1940 the outlook for the new crop appeared fairly satisfactory. In some districts early plantings had suffered from drought, but elsewhere satisfactory progress was reported.

#### MINING

Second only to the production of tobacco in Southern Rhodesia is the mining industry, a leading factor in the Colony's economic structure. Being more widespread, the prosperity of the mining industry probably has a greater influence upon general conditions throughout the country than tobacco production.

The total output of the mining industry again reached record figures in 1940. The total value amounted to £9,166,000 as compared with £8,138,000 in 1939, which was also a record. This was the eighth successive record year, and there are no indications that the peak of production has yet been reached.

Owing to wartime conditions, figures of production for minerals, except gold, are not being issued. It can be stated, however, that the value of base-mineral production rose to £2,206,000 in 1940 from £1,896,000 in 1939. The production of gold rose from 795,612 ounces in 1939 to 826,484 ounces last year.

#### BUILDING

The value of building permits issued in the municipalities of Southern Rhodesia during 1940 declined substantially as compared with previous years, the total for the year being £501,710; in 1939 the total was £829,345 and for 1938 the value was £774,887. The decline was due in large measure to a practical cessation of private building because of the war. An extensive building plan, principally in connection with the expansion of the army and the air force, was instituted and was responsible for the maintenance of the building industries at the relatively high rate indicated by the figures for the year.

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\* In January, 1941, under the Emergency Finance Regulations, 1939, Southern Rhodesia introduced a rigid control of foreign exchange and of imports from non-Empire countries. Licences to import from foreign countries goods which are obtainable from within the British Empire have been restricted. (See *Commercial Intelligence Journal* No. 1937, March 15, 1941.)

## FOREIGN TRADE

The external trade of Southern Rhodesia increased during 1940 by slightly over 31 per cent as compared with 1939. The value of imports increased by nearly £500,000 to a total of £9,550,701, while that of exports of Southern Rhodesian produce rose by £3,200,000 to a total of £13,399,357. Comparative figures for 1939 and 1940 are as follows:—

Imports—	1939	1940
Total . . . . .	£ 9,054,359	£ 9,550,701
Merchandise . . . . .	8,920,818	9,323,062
Specie . . . . .	133,541	227,639
Exports—		
Merchandise . . . . .	10,168,152	13,399,357
Total trade . . . . .	£19,222,511	£22,950,058

Figures are not yet available showing details of imports and exports by countries. The following figures of imports and exports of merchandise by principal classes, however, are submitted pending the issuance of more detailed returns later in the year:—

*Imports by Commodities*

	1939	1940
Animals, agricultural and pastoral products . . . . .	£ 91,122	£ 122,907
Foodstuffs . . . . .	746,179	733,623
Ales, spirits, wines, etc., potable . . . . .	174,498	192,143
Spirits, etc., non-potable . . . . .	18,203	18,881
Tobacco . . . . .	27,952	25,678
Fibres, yarns, textiles, etc. . . . .	1,675,194	1,954,193
Metals and manufactures of . . . . .	3,595,936	3,226,217
Minerals, earthenware, glassware, etc. . . . .	158,707	202,782
Oils, waxes, resins, paints, etc. . . . .	510,564	529,372
Drugs, chemicals, etc. . . . .	475,507	588,724
Leather, rubber and articles of . . . . .	353,393	437,810
Wood, cane and articles of . . . . .	308,484	351,012
Books, paper and stationery . . . . .	231,739	347,744
Jewellery, timepieces, fancy goods and musical instruments	140,987	132,874
Miscellaneous . . . . .	412,353	459,102
Total merchandise . . . . .	£ 8,920,818	£ 9,323,062
Specie . . . . .	133,541	227,639
Grand total . . . . .	£ 9,054,359	£ 9,550,701

*Exports by Commodities*

	1939	1940
Animals, agricultural and pastoral products . . . . .	£ 200,898	£ 203,440
Foodstuffs . . . . .	450,107	768,314
Ales, spirits, wines, etc., potable . . . . .	80,432	106,921
Spirits, etc., non-potable . . . . .	38	57
Tobacco . . . . .	1,107,509	2,086,105
Fibres, yarns, textiles, etc. . . . .	67,587	70,159
Metals and manufactures of . . . . .	6,518,682	8,097,211
Minerals, earthenware and glassware, etc. . . . .	1,528,216	1,841,878
Oils, waxes, resins, paints, etc. . . . .	26,729	42,401
Drugs, chemicals, etc. . . . .	11,657	17,122
Leather, rubber and articles of . . . . .	2,360	6,331
Wood, cane and articles of . . . . .	135,790	120,912
Books, paper and stationery . . . . .	28,818	30,847
Jewellery, timepieces, fancy goods and musical instruments	586	1,024
Miscellaneous . . . . .	8,743	6,635
Grand total . . . . .	£10,168,152	£13,399,357

## TRADE AND EXCHANGE RESTRICTIONS IN TURKEY

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, March 28, 1941.—Trading transactions between Turkey and countries coming under the interchangeable compensation régime (countries, including Canada, having no commercial or payments agreements with Turkey) are handled by Takas Ltd., a semi-official company formed for the purpose of regulating, in accordance with the requirements of internal and external business conditions, the premiums arising from compensation operations. In principle all goods from this group of countries are permitted entry into Turkey, subject only to other restrictions imposed by Turkish law and any general or particular prohibitions which may be in existence or decreed. In practice, however, a priority distinction is made regarding goods which may be imported.

Two lists have been established: list "A", including raw hides, merinos, jute, mineral oil residues, copra, raw rubber, cork, and iron bedsteads; and list "B" comprising tea, coffee, porcelain teeth, pepper, spices, yarn for fishing nets, quinine cloves, insecticides, and gums.

### REGULATIONS GOVERNING ISSUE OF PERMITS

Exchange compensation permits, delivered by Takas Ltd., are granted only if there is a credit balance in the interchangeable compensation account. They are more readily obtained in respect of imports of essential raw materials, etc., shown on List "A" or, imports which are considered to be essential for the country's needs. Commodities may be imported against the prior export of Turkish produce on a one-to-one compensation basis, the c.i.f. value of the goods imported to be equal to the f.o.b. value of the Turkish goods exported. It is to be observed, however, that the exchange derived from Turkish exports to interchangeable compensation régime countries is pooled in an account, and the exchange accruing from exports to a given country is not necessarily used for the purchase of goods in that country. For instance, the exchange obtained from exports of Turkish produce to Canada may be, and is actually being, used for financing imports from other countries. Since imports from Canada are paid for from the interchangeable compensation pooled account, it is not necessary for the Canadian exporter to endeavour to find a Canadian importer of Turkish goods and link his transaction with that of the latter. It is rather for the Turkish importer, at the request of the Canadian exporter, to apply to Takas Ltd., for his permit to import goods from Canada. Imports from Canada may be paid for in the currency stipulated in the contract of sale, but Canadian exporters should bear in mind that the Canadian Foreign Exchange Control Board allows payment to be accepted only in United States currency for goods sold to Turkey. It is reported that there is, except for the United Kingdom, no possibility of opening letters of credit. In the case of the other countries, long delays may be experienced in obtaining remittances.

The private compensation system in Turkey (interchangeable and otherwise) extends to most countries, including the United States, and all private compensation transactions are subject to a premium that varies according to the country trading with Turkey.

A recent law enables the Turkish Government to discriminate against countries which do not buy reasonable quantities of Turkish products. However, since Canada buys more from Turkey than does Turkey from Canada, there is little likelihood of such discrimination being applied to the Dominion.



## BUSINESS CONDITIONS IN ARGENTINA, JANUARY-MARCH

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, April 29, 1941.—The level of internal business in Argentina has been maintained so far this year at a remarkably high level, considering the drastic effects of the war on the external trade of the country. The Government has purchased all the principal crops from the farmers and the domestic manufacturing industries are supplying as far as possible the goods that are not obtainable from abroad or which the country cannot afford to buy from North America.

However, Argentina is now experiencing difficulty in getting delivery of many industrial raw materials and semi-manufactured goods that are essential to the operation of Argentine industries. It may be expected that, while Argentina has not been so seriously affected so far, the cumulative effects of the war on the internal economy of this country will become more and more evident in the near future.

The Argentine Congress has not yet approved the \$110 million United States credit agreements signed at Washington last December. There has been no relaxation of the restrictions against imports from the dollar area, including the United States and Canada. On the other hand, there have been no new restrictions imposed against regular items of importation from Canada.

### IMPORTS

Imports of merchandise into Argentina during the first quarter of 1941 showed a decrease of 48·3 per cent in value and 32·4 per cent in volume as compared with the corresponding period of 1940. The greater decrease shown in the value as compared with the volume, despite higher prices and increased freight rates, is due to the fact that the present import restrictions drastically curtail imports of many classes of manufactured goods, whereas few raw materials and semi-manufactured goods, essential to local industries, are subject to import restrictions. Imports from the United Kingdom in the quarter were less than half as great, and imports from the United States showed a decrease of 54 per cent, as compared with the corresponding quarter of 1940.

The customs normally contributes approximately one-third of the total ordinary revenues of the Argentine Government. Customs revenues for the first quarter of 1940 amounted to the equivalent of U.S.\$9,800,000 or a reduction of 54 per cent from the corresponding figure for 1940.

The effect of the import restrictions in force in Argentina is reflected in the reduced imports of the principal groups of commodities. Imports of merchandise during the first quarter of 1941 showed the following percentage reductions in value from the corresponding period of 1940: beverages, 46·8; textiles, 56·9; chemicals, 42·6; paper, 39·7; wood and products, 27·5; iron and steel and manufactures, 69·8; machinery and vehicles, 66·2; base metals and manufactures, 44·0; stone, glass, etc., 51·8; fuel—oil and coal—30·1; crude rubber and manufactures, 22·5; foodstuffs, 18·6; tobaccos, 13·5; sundry manufactured goods, 56·9.

### EXPORTS

Argentina's exports showed a decrease of 36·5 per cent during the first quarter of 1941 as compared with the corresponding period of 1940. Argentine sales to the United States however increased from U.S.\$24 million to U.S.\$35 million, due largely to increased American purchases of wool from Argentina. The greater part of the Argentine wool clip has been sold now.

The following table shows Argentine agricultural exports during the past quarter as compared with exports in the four quarters of 1940:—

*Shipments of Agricultural Products from Argentina by Quantity*

	Jan.-Mar., 1941	Oct.-Dec., 1940	July-Sept., 1940	Apr.-June, 1940	Jan.-Mar., 1940
	Thousands of Pounds				
Animal products—					
Chilled beef* . . . . .	182,082	112,396	153,322	164,096	196,784
Frozen beef . . . . .	27,052	10,248	16,998	60,739	109,054
Frozen mutton . . . . .	27,993	17,261	18,187	47,939	52,912
Tinned meats . . . . .	87,018	28,477	73,773	50,900	22,941
Pork . . . . .	11,082	1,250	671	1,605	3,013
Wool . . . . .	122,395	66,033	21,044	49,870	81,406
Hides . . . . .	75,468	72,460	53,131	75,180	89,075
Butter . . . . .	14,708	9,056	5,238	5,352	8,593
Grain—	Thousands of Bushels				
Wheat . . . . .	16,567	18,781	30,926	49,794	34,476
Corn . . . . .	10,090	8,655	11,876	29,378	23,888
Flaxseed . . . . .	3,505	3,807	1,646	7,669	16,491
Barley . . . . .	1,345	1,348	1,329	2,501	12,680
Oats . . . . .	2,240	580	503	4,254	9,149

\* Chilled quality shipped frozen.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

SEPARATE IMPORT LICENCES REQUIRED FOR FRESH SALMON

The British Board of Trade, in a Notice to Importers dated April 4, announced that the open general licence admitting fresh fish (other than frozen) without the formality of separate licences, has been amended so as to exclude fresh salmon.

Unless dispatched to the United Kingdom before April 7 and arriving in the United Kingdom before June 7, separate licences are required for fresh salmon imported from any country.

Ireland

DUTY REDUCED ON CLOCKS AND CLOCK PARTS

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that, by an Order of the Government of Eire dated April 1, 1941, the rates of duty on clocks and clock parts imported from the United Kingdom and Canada have been reduced as from April 2, 1941, as follows:—

	New Rates, applicable to the United Kingdom and Canada	Former Rates applicable to All other Countries
Clocks and clock movements completely or substantially assembled . . . . .ad val.	33½% or, if higher, 1s. 4d. each article	75% or, if higher, 2s. each article
Assemblies of clock parts, excluding parts assembled by pressing, clock cases and parts thereof . . . . .ad val.	33½% 40%	75% 75%
Clock cases made wholly or mainly of wood . . . . .ad val.	or, if higher, 3s. 4d. each article	or, if higher, 5s. each article
Component parts of clock cases wholly or mainly of wood . . . . .ad val.	40%	75%
Clock cases and faces wholly or mainly of marble or alabaster or both . . . . .ad val.	50% or, if higher, 3s. 4d. each article	75% or, if higher, 5s. each article
Component parts of clocks, or clock cases, wholly or mainly of marble or alabaster or both . . . . .ad val.	50%	75%

Formerly there was no preferential rate of duty, the rates under the heading "all other countries" being applicable to these goods from the United Kingdom and Canada.

A free-of-duty licensing provision is attached to this Order, subject to the terms of the finance agreement with the United Kingdom.

### Australia

#### AMENDMENTS TO IMPORT LICENSING REGULATIONS

Under an Australian import licensing instruction of March 17, 1941, special licences may be issued to importers of motor vehicle chassis, without debits against their quotas, for the admission of chassis to replace vehicles that have been or are to be furnished from civil stocks for defence purposes. Application for such licences must be made within three months of the defence order for the vehicles that are to be replaced.

Permission to increase by 25 per cent the base figures for the importation of felts for the manufacture of roofing and flooring felts and dampcourse, as from April 1, 1940 (announced in *Commercial Intelligence Journal* No. 1906: August 10, 1940) was withdrawn as from December 31, 1940.

Under an instruction of March 24, 1941, all existing quotas for the importation of tinsplate and terneplate were withdrawn and it was announced that applications for licence would be refused unless supported by a certificate from the Department of Supply.

### Southern Rhodesia

#### CONDENSED MILK AND CREAM STANDARDS

A report from the Canadian Trade Commissioner in Johannesburg on the standards to which sweetened and unsweetened condensed milk and canned cream must conform when imported into Southern Rhodesia states that condensed milk must be not less than 8 per cent milk fat and milk solids not less than 20 per cent if sweetened and not less than 26 per cent total milk solids if unsweetened. Cream when sold as cream shall not contain any fat or oil other than milk fat, nor any preservative, colouring matter or thickening substance. It shall contain not less than 35 per cent of milk fat and shall not be reconstituted by the emulsification of butter or butter fat in milk or skimmed milk. Cream when sold as reduced cream is subject to the same conditions, except that the milk fat requirement may be as low as 20 per cent. No standard is laid down for whole milk powder. As regards packing, the requirements are that sweetened condensed milk shall be packed in 4-, 6- or 14-ounce tins, and unsweetened in 6-, 8-, and 12-ounce or 1-pound tins or tins containing an integral number of pounds. The net weight must be marked on the containers. It is pointed out that, while in the regulations of the Union of South Africa certain particulars must be stated on the label in both English and Afrikaans, in Southern Rhodesia Afrikaans is not compulsory, but there is nothing against its use and possibly something to be said in favour of it.

### South Africa

#### TARIFF DUTIES INCREASED

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, advises that from April 3 certain increases become effective in the South African customs tariff. These included a number of suspended duties which, when approved by Parliament, can be brought into force by proclamation.



The tariff items of particular interest to Canadian exporters, the rates for which have been altered, include the following:—

	Former Rates			New Rates		
	Mini- mum.	Inter- mediate	Maxi- mum.	Mini- mum.	Inter- mediate	Maxi- mum.
4(a) Fur skins, raw, dried and cleaned but otherwise unmanufactured ad val.	Free	Free	Free	5%	5%	10%
67(a) Furs, not being raw and un- manufactured skins, in the single original pelt, wholly or partly dressed . . . . .ad val.	10%	10%	15%	15%	15%	20%
270 Wooden pick handles— (a) Shaped but otherwise in the rough . . . . .ad val.	Free	Free	5%	Free plus a 1d.	Free suspended 1d.	5% duty of 1d.
each . . . . .	....	....	....			
(b) Other . . . . .ad val.	5%	5%	10%	5%	5%	10%
each . . . . .	....	....	....	plus a 1d.	suspended 1d.	duty of 1d.
287(1) Cardboard, linenboard, leather- board, fibreboard, strawboard and millboard, but not including pulp- board for building purposes.ad val.	Free	Free	5%	Free	Free	5%
per lb. . . . .	....	....	....	plus a ½d.	suspended ½d.	duty of ½d.
295(d) Plain or composite paper,n.e.e.— (i) In the original mill wrappers, flat or folded, not less than 16 inches by 15 inches ad val.	Free	Free	5%	Free	Free	5%
per lb. . . . .	....	....	....	plus a 1d.	suspended 1d.	duty of 1d.
(ii) In reels, including paper in reels used for the monotype type-setting machine.ad val.	Free	Free	5%	Free	Free	5%
per lb. . . . .	....	....	....	plus a 1d.	suspended 1d.	duty of 1d.

In the foregoing the intermediate tariff rates are applicable to Canadian merchandise.

EXPORT CONTROL OF CONDENSED AND DESICCATED MILK

A notice in the *Government Gazette* of the Union of South Africa of March 15, 1941, prohibits exports of condensed and desiccated milk to any country except under permit. Applications for export permits are to be addressed to the Secretary, Canning Board, Department of Commerce and Industries, Cape Town.

Jamaica

TARIFF CHANGES

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes that the tariff changes published in *Commercial Intelligence Journal* No. 1934 (February 22, 1941) have now been passed into law, except for kerosene oil and cotton piece-goods, which were struck out. The duties on kerosene oil remain at the old rate; the new duties on cotton piece-goods, together with certain other changes provided by the Law (No. 10 of 1941), are set forth below. The principal changes include increases in both the preferential and general tariffs on

underwear, shirts, hosiery, other articles of apparel made from materials other than cotton, and edible oil; also an increase in the general tariff on cotton hosiery. All-round increases are also provided on cotton, silk, artificial silk, woollen and other piece-goods.

	Former Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Underwear, including vests, pants, drawers, singlets and other similar garments of cotton or wholly so except for accessories which do not exceed 25 per cent of the total value of the article . . . . .ad val.	15%	25% plus 7s. 6d. per doz. articles	15%	25% plus 7s. 6d. per doz. articles
Other kinds of underwear . . . . ad val.	15%	25% plus 7s. 6d. per doz. articles	25%	40% plus 17s. 6d. per doz. articles
Shirts of cotton or wholly so except for accessories which do not exceed 25 per cent of the total value of the article . . . . .ad val.	15%	25% plus 7s. 6d. per doz. articles	15%	25% plus 7s. 6d. per doz. articles
Other kinds of shirts . . . . .ad val.	15%	25% plus 7s. 6d. per doz. articles	25%	40% plus 12s. per doz. articles
Hosiery wholly of cotton . . . . ad val.	10%	10% plus 6d. per pr.	10%	20% plus 9d. per pr.
Other kinds of hosiery . . . . ad val.	10%	10% plus 9d. per pr.	20%	20% plus 1s. 6d. per pr.
Other apparel, not particularly enumerated, of cotton or wholly so except for accessories which do not exceed 25 per cent of the total value.ad val.	15%	25% plus 12s. per doz.	15%	25% plus 12s. per doz.
Apparel, otherwise . . . . .ad val.	15%	25% plus 12s. per doz.	25%	40% plus 17s. 6d. per doz.
Cotton piece-goods (without border or selvedge marking a point for cutting to make a distinctive article).ad val.	10%	20%	12½%	22½%
Rayon piece-goods (without border or selvedge marking a point for cutting to make a distinctive article).ad val.	20%	30% or 4d. per sq. yd. whichever is higher	30%	45% or 6d. per sq. yd. whichever is higher
Piece-goods wholly or partly made of silk . . . . .ad val.	20%	30%	30%	45%
Woollen underwear flannel piece-goods (including mixtures more than 25 per cent wool) not exceeding 30 inches in width and not exceeding a count of 26 threads weft or warp to the square inch. . . . .ad val.	20%	30% or 2s. per sq. yd., whichever is higher	20%	30% or 2s. per sq. yd., whichever is higher
Other woollen piece-goods . . . ad val.	20%	30% or 2s. per sq. yd., whichever is higher	30%	45% or 3s. per sq. yd., whichever is higher
Any other kind of piece-goods..ad val.	20%	30%	30%	45% or 6d. per sq. yd., whichever is higher
Edible oil . . . . .per gal.	1s.	1s. 4d.	2s.	3s.

## Trinidad

### MOTOR VEHICLE RESTRICTIONS

The Control Board of Trinidad gave notice on April 15 that licences for importation of any type of motor vehicle from sterling sources or from any other sources will be granted only for essential requirements. It was stated that no import licences for private motor cars will be granted to any person who already has one in working order.

### QUOTAS ON FOODSTUFF IMPORTS

In the article under this heading which appeared in the last issue of the *Commercial Intelligence Journal* (No. 1945), pages 588-9, the numbers of the commodities given in the two quota lists were erroneously headed "Tariff Item No." The heading should have been merely "Item No."

## Barbados, Antigua, Grenada and St. Vincent

### IMPORT CONTROL OF IRON AND STEEL PRODUCTS

Mr. G. A. Newman, Acting Trade Commissioner at Port of Spain, writes that control over imports of iron and steel products into Barbados, Antigua, Grenada and St. Vincent is similar to that outlined in *Commercial Intelligence Journal* No. 1943 (April 26, 1941), pages 522-3, with reference to imports into Trinidad.

## Antigua

### SURCHARGE ON CUSTOMS DUTY

An Antigua Ordinance of March 21, 1941, increases the general rate of customs surcharge from 20 per cent to 30 per cent of the duty on most goods entering the Colony. The former rate of 20 per cent on agricultural and sugar-refining machinery, and a reduced surtax of 10 per cent of the duty formerly applied to dried and pickled fish, rice, wheat and maize flour, spirits and wine, remain in effect. The surcharge on benzine, gasoline, naphtha and motor spirit generally, which had been 20 per cent, is reduced to 10 per cent of the duty.

## FOREIGN EXCHANGE CONTROL

### IRAQ EXCLUDED FROM STERLING AREA

Effective May 6, 1941, Iraq has been excluded from the sterling area for foreign exchange control purposes, according to an announcement of the Foreign Exchange Control Board dated May 6.

## EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

### Brazil

#### L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, April 16, 1941.—Exchange regulations continue unchanged in Brazil, and cover for the payment of goods imported against drafts may be obtained without any delay. Delays still occur in the issue of exchange to pay for goods ordered on consignment or on open account, due entirely to the necessity of furnishing proof of sale. The actual supply of foreign exchange in Brazil appears to be entirely adequate. The adverse balance which was



apparent during the greater part of 1940 was completely wiped out in the latter months of the year, and a favourable balance was reported for the whole year. The favourable balance at the end of 1940 has been carried into 1941, and for the first two months of the year a favourable balance of over \$10,000,000 was indicated by the official figures.

There is no reason to anticipate any exchange difficulties in the immediate future, and it is considered that exporters may continue to export on a cash-against-documents basis or, in the case of satisfactory accounts, credit up to thirty days sight might be granted.

## Bolivia

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, April 30, 1941.—A strict system of exchange control is in effect in Bolivia, and three rates of exchange obtain: the official rate, currently quoted at 39·90 bolivianos to the United States dollar and 143·42 bolivianos to the pound sterling; the compensation rate of 55 bolivianos to the United States dollar and 198 bolivianos to the pound sterling; and the black market (illegal) rate of about 61·50 bolivianos to the United States dollar, with no quotation for sterling.

Mining companies and all other exporters are required by law to sell certain percentages of the value of their exports to the Central Bank; the Central Bank in turn resells these drafts to specified purchasers. Drafts at the official rate are allotted for government services, for imports by railways and other public utilities, and to importing houses that import and offer for sale certain products considered to be essential for the needs of the country. The list of these products, recently published, for which exchange at the official rate will be allowed by the Ministry of Economics, is as follows:—

*First Category.*—Foodstuffs of primary necessity: sugar, rice, chili pepper, cattle for slaughtering, superfine flour, condensed and sterilized milk, wheat, peeled wheat, potatoes.

*Second Category.*—Oats, beans, chick peas, sewing thread, lentils, tea.

*Third Category.*—Foodstuffs for children; dehydrated flour and milk; nursing bottles, basins for the sick room, ordinary irrigators, hot-water bottles and ice bags, drugs, serums, vaccines, and all chemists' goods for sanitary use; school and educational books.

*Fourth Category.*—Pedigree cattle, raw materials for wool and cotton mills, hosiery, glass, soap, agricultural tools and machinery, paper for cigarettes, newsprint, tractors.

Compensation exchange is obtained by the banks to a considerable extent through purchase from the mining companies at the official rate of exchange and also at the purchasing rate of compensation drafts. This compensation exchange is sold to importers at a higher rate than that charged for official drafts and may be used in the purchase of goods not on the prohibited list of imports but which do not fall within the list of goods for which exchange is available at the official rate, as listed in the preceding paragraph. Goods which may be imported at the compensation rate are made up of an extensive assortment, including textiles, electrical goods, machinery of all kinds, trucks, industrial machinery, and passenger automobiles when these are permitted entry.

It is reported that "black market" exchange, although its use is illegal and subject to severe penalties when discovered, has been used to a considerable extent. When an importer clears his goods through customs, he is required to state that the funds used for their purchase were those which he held abroad,

but he is not required to indicate how such funds were obtained. Thus it is possible for him to replenish his accounts abroad by purchase of "black market" exchange should he choose to run the risk.

Bolivia's economy, as is generally known, depends almost entirely on the quantity of tin which can be shipped out of the country under the International Tin Control scheme. Recent advices from Bolivia indicate that, due to war-time conditions in Europe and the fact that the International Tin Export quota now stands at an all-time high of 130 per cent of the 1929 exports, Bolivia can export all the tin the country can produce. As a consequence current exports are well in excess of what Bolivia has been able to ship during the past four or five years. The law requires that 42 per cent of the market value of each ton of tin exported shall be delivered in drafts to the Central Bank. As a result more exchange is available at present for imports than has been the case for some time, and Bolivia is in a more favourable position to take care of its needs for imported goods.

A payments agreement between the Central Bank of Bolivia and the Bank of England was signed at the close of last year. The conditions of this undertaking are similar to agreements initiated with other South American countries and provide for the opening of special accounts in the respective banks to clear payments between Bolivia and the sterling area.

As far as Canadian exporters are concerned, terms of cash against documents upon arrival of the goods are recommended. Application may be received for credit terms, but such conditions should be extended only when from experience the shipper in the Dominion is assured of the importer's ability to pay. To avoid confusion it is preferable to quote prices in United States funds, as final settlement has to be effected in that currency. An agreement was recently made between the Metal Reserve Corporation and the Bolivian tin producers calling for payment for tin exports to the United States in United States dollars. However, there has been some delay in the allocation of exchange, and a careful scrutiny of obligations in that country should be maintained.

## Peru

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, April 24, 1941.—The dollar rate of exchange for the Peruvian sol remains steady at 6.485 soles per United States dollar for buying and 6.50 soles for selling. There is no official import or exchange control in operation and payments for ordinary commercial transactions are being effected in a normal manner.

Through a semi-voluntary system of control, Peruvian exporters, or banks acting on their behalf, hand over the resultant foreign exchange to the Central Reserve Bank. The Bank in turn allocates this exchange to the various commercial banks in a rough proportion between their "normal" dealings and present requirements. So far as United States dollars are concerned there has been no shortage, although at the time of writing the supply of dollars is somewhat restricted, but there is not much actual delay in final settlement.

Sterling is almost unobtainable, although after the beginning of May it is expected that British payments for £130,000 worth of Peruvian cotton—the balance of the £300,000 purchase arranged by the Willingdon Mission—will ease this situation.

Commercial collections are proceeding normally, but Canadian exporters are recommended to require cash-against-documents terms for their shipments. This is the general rule for foreign firms dealing with Peru, and letter-of-credit terms

are ordinarily only accepted by the importers under special circumstances. A considerable volume of business is done on short credit terms, that is, 30 to 90 days; but these conditions are only advisable when from experience the exporter has full confidence in the consignee's ability to pay.

When making quotations to Peruvian firms, shippers in the Dominion are recommended to express their prices in United States currency, as this is the most current medium of exchange in this market. If quoting in Canadian dollars, a clear indication should be given of the exchange allowance granted to put these offers into American funds.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 12, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 12, 1941, and for the week ending Monday, May 5, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 5	Nominal Quotations in Montreal Week ending May 12	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2646	.2646	3½
Switzerland . . . . .	Franc	.1930	.2575	.2576	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2279	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2609	.2631	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6344	.6325	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4496	.4551	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0567	.0594	—
Hongkong . . . . .	Dollar	.....	.2672	.2703	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—



## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Rubber Toys.....	90	Monterrey, Mexico.....	Agency.
Rubber Goods.....	91	Monterrey, Mexico.....	Agency.
Powdered White Arsenic.....	92	Rio de Janeiro, Brazil.....	Purchase.

# COMMERCIAL INTELLIGENCE SERVICE

**C. H. PAYNE, Director**

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## Argentina

**J. A. STRONG**, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



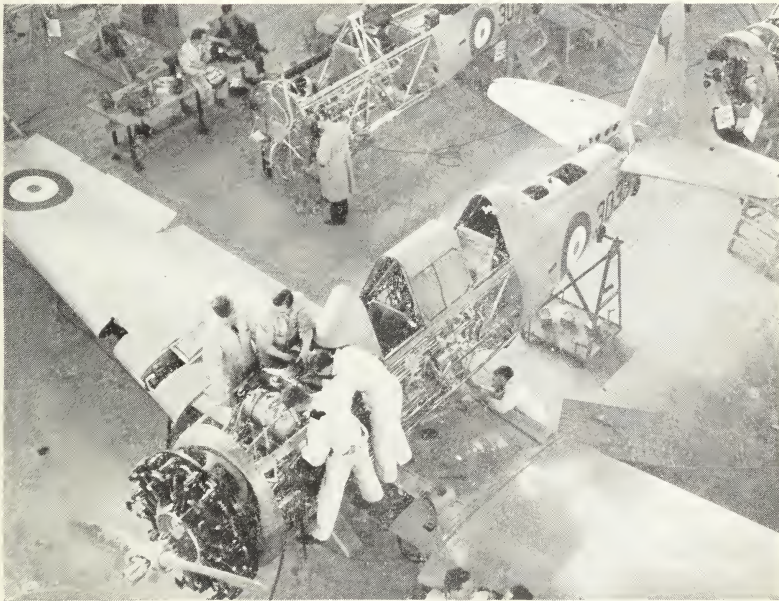
D. I.

# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXIV

Ottawa, May 24, 1941

No. 1947



Part of Assembly Room in Canadian Plant Turning Out Harvard  
Trainers

*Photo—Public Information*

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER



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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LXIV

Ottawa, May 24, 1941

No. 1947

## MR. COSGRAVE ON TOUR OF CANADA

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia (whose territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies), is on tour in the Dominion in the interest of Canadian trade with Australia. Following is his itinerary to the end of June:—

Quebec and district. . . . .	May 29	Port Hope . . . . .	June 24
Sherbrooke and district . .	May 30	Welland . . . . .	June 25
Montreal and district. . . .	June 2 to 18	St. Catharines, Niagara	
Brockville, Kingston and		Falls and district. . . .	June 26
district . . . . .	June 23	Hamilton and district. . .	June 27 to 30

Firms wishing to be brought in touch with Mr. Cosgrave should communicate for Montreal with the Montreal Board of Trade, and for the other centres with the respective Board of Trade or Chamber of Commerce.

## UNITED KINGDOM BUDGET

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, April 8, 1941 (delayed).—The United Kingdom Budget, opened in the House of Commons yesterday, was remarkable not only for the vast figures involved but also because increases in taxation proposed affected only the income tax and because it introduced indirectly the principle of compulsory saving.

The Chancellor of the Exchequer affirmed that the financial front has stood firm. The measures taken have made it possible to borrow at relatively low rates of interest, with corresponding easement of post-war financial problems. The great question is how to concentrate upon the war effort as large a part as possible of the United Kingdom's productive resources and at the same time satisfy the essential needs of the civilian population and maintain an adequate export trade. Another most important obligation is to avoid the vicious spiral of rising costs and prices, of which there is serious danger. The Chancellor explained that, in addition to the correctives applied by the control of food and industrial activities, the solution of the problem would be impossible unless it was eased by the withholding of a substantial part of the surplus purchasing power through the instrument of taxation.

## EXPENDITURE AND REVENUE IN 1940-41

Total expenditure for the fiscal year just concluded was £3,884,000,000. Revenues amounted to £1,409,000,000, which exceeded the estimate by £49,000,000. Of the total sum collected, income tax accounted for £524,000,000, a sum which dwarfs all previous records and was £13,000,000 in excess of the estimate.



The new purchase tax on domestic sales of certain commodities, which was brought into effect in the last budget and the details of which were described in *Commercial Intelligence Journal* No. 1918 (November 2, 1940), is declared to be a success. The tax, which became operative on October 21, was three months late coming into operation, there have been certain restrictions on supplies, and the original estimate has also been affected by enemy operations. Nevertheless, its administration has worked smoothly. The registration of 40,000 traders was quickly completed and the machinery of accounts worked so well that nearly 60 per cent of all returns due on March 10 was received within ten days of that date. The yield of the tax was £26,000,000.

The deficiency in receipts during the year was £2,475,000,000, which had to be met outside of existing revenue sources. The resultant borrowing took a variety of forms, but included no less than £360,000,000 by the sale of National Savings Certificates and Defence Bonds.

### ANTI-INFLATIONARY MEASURES

Discussing what he called the "inflationary gap", namely any inadequacy in financial measures below what is required for the avoidance of serious and continuing inflation, the Chancellor said that the war inevitably entails some rise in costs through difficulties in transport and the handicaps which the war imposes upon the ordinary functions of trade and industry. The budgetary task is to control and to limit any upward movement.

The inflationary gap is not to be measured by the difference between expenditure and the produce of taxation. Borrowing as such is neither necessarily, nor normally, inflationary. Various methods of genuine saving, particularly the National Savings movement, are actually contributions towards the solution of the real inflationary problem, and it is only in so far as the national accounts are balanced otherwise than by the result of taxation, plus other Exchequer aids and resources, plus genuine savings, that the danger of inflation will arise.

### SUBSIDIZING OF PRICES

In this connection the Chancellor anticipated a continuing further rise in the cost of living unless the Exchequer is prepared to undertake a much greater burden. If this rise were to occur, it might lead to more rises in wages and other repercussions. In these circumstances, he included in his estimated expenditure for the coming year a margin for important extensions of the principle of subsidizing essential goods and services. In pursuance of this policy, the Treasury will absorb increases which would otherwise become inevitable, and which, indeed, are already overdue, in shipping charges and insurance premiums. He is also contemplating offsetting further increases in railway rates and fares, as well as in coal, gas and electricity charges. It will continue to be the aim to try to prevent substantial increases in prices for articles in common use.

### NEW FINANCIAL YEAR

Turning to the problem of the new financial year, the Chancellor estimated "domestic" expenditure (i.e. excluding the value of supplies to be received under the United States Lease-and-Lend Act and payments to be made in the United States under existing orders there) at £3,700,000,000. Against this, revenue on the existing basis would produce £1,636,000,000. Receipts from various borrowings and private savings are calculated at £1,600,000,000, of which rather less than half will be represented by private savings. This means that the potentially dangerous gap is approximately £500,000,000.

## NEW TAXATION

The Chancellor stated that in the circumstances he must look to direct taxation covering all sections of the community to raise this amount. The standard rate of income tax is to be increased by 1s. 6d. to 10s. 0d. in the pound.

The reduced rate which applies to the first £165 of taxable income will become 6s. 6d. instead of 5s. 0d. As a result of these increases, the rate of income tax and surtax will reach a maximum of 19s. 6d. in the pound on the heaviest slices of income.

Reductions will also be made in the allowances for earned income and personal allowances. These changes will increase by over 2,000,000 the number of persons liable to pay income tax. It is in connection with these latter proposals that the new principle of compulsory saving referred to at the beginning of this report is to be effected. The primary object is to make a considerable cut in purchasing power during the war. The Treasury therefore intends that the extra tax which any individual will pay by reason of the reduction in the personal allowance and earned income allowance, will be offset after the war by a credit which will then be given in his favour in the Post Office Savings Bank. This credit will, it is hoped, assist in the post-war reconstruction.

The same scheme is also extended to industry, for although the excess profits duty is to remain at 100 per cent, 20 per cent will be repaid when the war is over for reconstruction purposes.

## REPEAL OF MEDICINE STAMP DUTIES

The Medicine Stamp Duties (a retail tax on proprietary medicines which has been in force for many years) are to be repealed as from September 2.

## RECEPTION

Previous war budgets have been criticized as not being commensurate with the requirements of the war. The present budget is generally approved as a real attempt to meet the difficulties and a reflection of the country's determination to face every sacrifice which may be demanded.

## INCREASE IN CATTLE PRICES IN THE UNITED KINGDOM

## OFFICE OF THE ANIMAL PRODUCTS TRADE COMMISSIONER

London, April 21, 1941.—Supplies of feeding stuffs and imported meat are likely to be shorter owing to the demands on shipping for the Middle East campaign, and the Government is asking farmers to provide more cattle for slaughter during the next few months.

Up to date the cattle population of the United Kingdom has been maintained, but the time has now come when it is necessary to draw on reserves. Farmers are asked, therefore, to bring forward more animals in the early part of the summer, in order to relieve the feed situation during the coming winter when smaller supplies are likely to be available.

As an inducement to farmers to sell their cattle as soon as they are moderately fit for slaughtering, prices of steers, heifers and cow-heifers killing out at from 50 to 52 per cent will be increased as from April 21. The larger sales of cattle at an early stage of fattening will enable producers to bring greater numbers of stock to marketable condition during the grass season. It is also suggested that poor-yielding cows and those which disease has rendered unthrifty be culled out and sold for slaughter. With this object in view, prices of cows killing out at from 47 to 52 per cent will also be increased on April 21.

## NEW PRICES

The increased prices per live hundredweight for the grades of cattle and cows affected will be as follows:—

*Prices of Home-bred Steers, Heifers and Cow-Heifers*

Killing-out Percentage	Steers and Heifers Per Live Cwt.	Cow- Heifers Cwt.	Increase
	s. d.	s. d.	s. d.
52.. . . . .	63 0	58 0	5 6
51.. . . . .	61 0	56 0	9 6
50.. . . . .	58 0	53 0	12 6

*Prices of Imported Steers, Heifers and Cow-Heifers after being two months in Great Britain*

Killing-out Percentage	Steers and Heifers Per Live Cwt.	Cow- Heifers Cwt.	Increase
	s. d.	s. d.	s. d.
52.. . . . .	60 6	55 6	3 0
51.. . . . .	58 6	53 6	7 0
50.. . . . .	55 6	50 6	10 0

*Prices of Cows*

Killing-out Percentage	Price Per Live Cwt.	Increase
	s. d.	s. d.
52.. . . . .	42 0	1 0
51.. . . . .	41 0	2 0
50.. . . . .	40 0	3 0
49.. . . . .	36 6	3 0
48.. . . . .	32 6	3 0
47.. . . . .	27 6	3 0

These prices will be subject to the seasonal increases until June and the seasonal decreases thereafter until October 6, which are already in effect.

The number of bulls sold for slaughter is relatively small but, in order to discourage excessive feeding of bulls, it has been decided that from April 21 the killing-out qualification for the two special classes of young bulls shall be 54 and less than 56 per cent and 56 per cent and over respectively, instead of 54 to 57 per cent and 57 per cent and over respectively.

The 57 and 58 per cent grades for steers, heifers and cow-heifers and the 58 per cent grade for bulls will be discontinued on June 30.

A new class of very small bobby calves, likely to furnish meat fit for manufacturing purposes, will be instituted at a price of 10s. per head on April 21.

## AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on May 17 regarding the wheat and flour situation in Australia as follows:—

Australian Wheat Board stocks on May 5 were 88,500,000 bushels, of which 30,430,000 bushels are sold. Local consumption and export flour will require a further 41,500,000 bushels, leaving 16,500,000 bushels for sale as export wheat during the next six months. Official wheat prices are unchanged.

Approximate prices per short ton authorized by the Wheat Board for export flour in 49-pound calico bags f.o.b. Melbourne are: for shipment to Beira, \$36.25; to Manila, Colombo and Calcutta, \$33.88. Otherwise export flour prices are the same as quoted in last cable. Shortage of shipping is still acute. Moisture conditions in wheat belts generally are unsatisfactory.



## PRODUCER-GAS DEVELOPMENT IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, April 2, 1941.—Long before the outbreak of hostilities in 1939, throughout the Commonwealth of Australia enthusiastic investigators, scientific and otherwise, had been exploring the possibility of utilizing producer-gas units on automotive equipment to replace fuel oil for diesel engines and gasoline, all of which has to be imported.

During the fiscal year ended June 30, 1940, imports of petroleum were valued at £7,644,863 as compared with a value of £5,658,530 for similar imports during the previous fiscal year. It was hoped that an increasing use would be made of producer-gas units and correspondingly reduce the necessity of importing liquid fuel. In September, 1939, the retail price of gasoline in metropolitan areas was 1s. 9d. per gallon. Now it is 2s. 5d.; 4d. of the increase being attributed to higher customs duty and 4d. to higher landed costs, freights and insurance. Distilled fuel, known locally as "gas oil", principally required for road vehicles equipped with compression ignition engines, has increased in price from 9d. to one shilling a gallon.

During 1940 a scheme designed to ration liquid fuel was introduced by the Commonwealth authorities, and it was expected that the consumption would be quickly reduced by one-third. The reduction was deemed essential owing to increasing needs of the defence forces, the demand for tankers elsewhere and the necessity on the part of the Commonwealth to conserve foreign exchange.

The development of producer-gas units had the encouraging support of the federal and state authorities, governmental and educational. Considerable research work was carried out in Melbourne University. Ultimately the Standards Association of Australia drafted a "code" for "Charcoal Gas Producers for Motor Vehicles". Later, in January, 1941, the Australian Standards Association drafted a specification in their "emergency series" to cover wood charcoal for use in gas producers for vehicles and tractors.

During 1940, it was calculated, there were about 800,000 automotive vehicles in Australia and 40,000 tractors. Despite the enthusiastic support given from all sides to the use of producer-gas units, it was estimated that at the end of 1940 only about 4,000 units had been fitted. Western Australia has adopted producer gas as a fuel to a greater extent than any other state. At the end of last year there were about 2,000 units in operation there. South Australia was next with about 750 units, then Queensland with 550, Victoria with 350, New South Wales with 325 and Tasmania with about 75.

The Commonwealth authorities not only gave considerable support to the movement but in fact developed a scheme of approval of units that comply with an established specification. This specification was developed by the Commonwealth Technical Committee on Producer Gas for the Department of Supply and Development and, as already stated, has now been published by the Standards Association of Australia in draft form as an Australian Emergency Standard. In order to compare a unit's performance with the requirements of the specification, the unit must be tested according to set rules; these have also been published as an Australian Standard and have been combined with the specification into one document. The testing of vehicle producer-gas units in accordance with these standard rules is done by independent testing authorities, namely the universities in most of the capital cities. Under this approval scheme, the Department of Supply and Development reports there have been tested at the Universities of Melbourne and Adelaide a total of 20 different units, 15 of which have fulfilled the requirements of the specification and so acquired the Department's approval. The Government of New South Wales has elected to operate an approval and testing scheme independently of the

Commonwealth's scheme, utilizing different specifications and a different method of test.

### CHARCOAL SUPPLY

Commonwealth authorities expect that the use of producer-gas units will extend appreciably with the new gasoline rationing scale introduced on April 1. To prepare for this anticipated extended use, plans are being advanced to establish charcoal supply depots at many points, so that motorists, having fitted producer-gas units, will not literally run out of gas.

The charcoal will, as at present, be distributed generally through the hands of wholesale dealers and thence to local garages and depots. In some instances the charcoal burners, the wholesale organization and distribution and the retail selling are under the control of one concern. The final aim of the Commonwealth Government is reported to be the establishment of a retailing organization that will provide supplies of charcoal at fifty-mile intervals along the principal highways. It is expected that the price will be lower ultimately than that now current, which is \$25 a ton or equivalent to about 20 cents a gallon for gasoline.

### CHARCOAL PRODUCTION

The production of charcoal for producer-gas units and other purposes has largely been in the hands of private enterprise, although some state forest services have gone into the production field. Most of the charcoal burners are country men, not deeply interested in the scientific side of charcoal and its use in gas producers. In their plans to increase the charcoal-burning industry the state forest commissions have tried not to interfere with legitimate private burners, but to supplement their output with charcoal of a uniformly high grade. Country charcoal burners have, of course, access to free advice from the various state forest commissions.

Most progress with charcoal production plans seems to have been made in New South Wales, where already production capacity has been surveyed and increased and the co-operation of retailers, garages, general stores and woodyards has been enlisted. Production surveys have also been made in Victoria and South Australia.

When gasoline rationing was first discussed in Victoria in 1940 the Forest Commission arranged for the installation of charcoal retorts in various parts of the State adjacent to main roads for easy distribution. However, when gasoline rationing subsequently was introduced it was not on the restricted scale anticipated. The Commission's activities in charcoal production were, therefore, relaxed to some degree, as it was thought charcoal might accumulate through public requirements being below anticipation.

At the peak of production in Victoria 20 kilns were in operation in various state forests and they had a full-time capacity of 25 tons a week, with provision for multiplication when needed. At present only about half these plants are in production. The quality of the charcoal did not seem to depend so much on the kind of timber used as on the type of kiln. With the use of earthen kilns there appears to be the risk of the charcoal being contaminated with earth and sand. These foreign substances cause clinkers to accumulate in motor engines, which is the main basis for complaints against producer-gas units.

Recently the Government of Victoria appointed a State Producer Gas Committee under the direction of the Forests Commission. It was stated that the objectives of the committee would be: to co-ordinate the developmental work carried out by government, semi-government and private bodies; to ensure supplies of suitable charcoal; to arrange proper test facilities for charcoal and charcoal briquettes; to develop the experimental manufacture of briquettes; to arrange experimental work on gas producers and fuels; to establish a bureau of information on gas units being marketed; and to publicize and demonstrate the use and servicing of producer-gas units.

The Commonwealth Government has so far declined to exercise any control over charcoal production and sale; if any control is to be developed it will almost certainly reside in the hands of the various states and their forest services. Nevertheless, a standard specification for charcoal has been developed by the Commonwealth Technical Committee on producer gas in conjunction with the Standards Association of Australia. It is hoped that this specification will come to be more and more widely used as a basis on which charcoal for use in producers will be bought and sold. It is believed it represents, in the light of present knowledge, a sensible commercial standard of good quality charcoal for this purpose.

As there is a widespread interest in Canada in producer-gas units for road vehicles and as the interchange of information should accelerate perfection in design and operation, the Department of Supply and Development of the Commonwealth of Australia has made available a copy of the Draft Australian Standard Specification for Charcoal Gas Producers for Motor Vehicles, including the standard set rules by which comparative performances may be determined, a list of approved units with some details of their capacity, and a copy of the Australian Standard Specification for Wood Charcoal. These documents may be obtained on loan by interested inquirers on application to the Department of Trade and Commerce, Ottawa (quote file No. 27429). The Canadian Trade Commissioner at Melbourne would like to receive specifications and other information regarding performance and costs from Canadian manufacturers of producer-gas units, as the Australian Department of Supply and Development has expressed the hope that a reciprocal exchange of information can be arranged between Australia and Canada on this subject.

## INDUSTRIAL DRIVE IN INDIA

FROM THE *Times Trade and Engineering*

Primarily an agricultural country, rich in raw materials, India on a war footing is now entering upon a new phase of industrial activity. Although the immediate aim is to increase the country's war effort, the expansion of industrial enterprise for this purpose is laying the foundations of what may presently prove to be a new Indian economy.

The harnessing of civil industry to the task of war production has steadily increased the indigenous output of a growing list of items previously imported. The country is already producing far more than it at present requires in many classes of lethal and ordnance stores and in military clothing and equipment, and is developing new lines of supplies with success and rapidity. The war requirements of the British Government have not only enabled Indian ordnance factories to work at capacity, but have also encouraged civil industry to embark on ambitious programs of expanded production. The small but highly organized ordnance factories which existed when war broke out have been enlarged in scope and increased in number, and civil industry has been invoked to supplement output both in military requirements and in meeting the needs of civilian populations at home and abroad.

## PROTECTION TO NEW INDUSTRIES

This new industrial drive will doubtless bring its own problems after the war, but the determination to secure a British victory has rightly relegated such considerations to second place. The Government of India has given assurances of protection to new industries engaged in war production, as well as to others which deserve encouragement, even although their products are not primarily essential war supplies. The Indian Press is unanimous in demand-



ing that the industrial resources of the country should be used to the utmost, not merely in developing the output of existing products, but in embarking on new industrial enterprises.

The steel industry has been working to the limits of its capacity, with orders booked for several months ahead, and it is now able to meet nearly all domestic requirements, except in special steels, and has a substantial exportable surplus for the common cause. The manufacture of steel buildings, engineering supplies, and many items of weapons and ammunition is being undertaken by civil industry. The pre-war output of iron and steel has been increased by 300,000 tons and 100,000 tons respectively. One firm alone is manufacturing monthly 50,000 tools of varied types for the Defence Forces, in addition to structural rails, galvanized sheets, and special bars for the production of shells.

### CAPITAL WORKS FOR AIR ROUTES

A program of capital works for the development and organization of air routes in India, originally approved in 1934, is now nearing completion, and the Standing Finance Committee of the Indian Legislature has agreed to further developments. These include the construction of an aerodrome at Cochin, the extension of facilities at Lahore civil aerodrome, and other projects. Under the original scheme, which cost Rs.9,257,000 (approximately £694,000), it has been possible to organize the trans-India route on a workable standard and to provide the minimum facilities for the two main feeder routes, Karachi-Colombo and Karachi-Lahore. Technical progress in civil aviation, however, and the conditions created by the war, have made it necessary to enlarge existing aerodromes, extend runways, improve lighting, develop new routes, and undertake general improvements. A program of the development needed in the next seven years has therefore been framed, of which the Cochin and Lahore projects are the first stages. . . . .

### DOLLAR EXCHANGE

The continuing need for mobilizing the Empire's dollar resources is underlined by the Government of India's acquisition of residents' holdings of dollar securities in India. While small in comparison with Indian holdings of sterling securities, those covered by the Government's order represent a useful contribution to the Empire's dollar funds.

## MARKET CONDITIONS FOR BOOKS IN MEXICO

### A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One Mexican peso equals approximately 22·79 cents Canadian; one kilo equals 2·2 pounds.)

Mexico City, May 6, 1941.—As a number of inquiries have been received in this office from Canadian publishers of English and French books regarding the possibilities of the Mexican market, the following brief review is submitted.

### IMPORTS

Importations of books and other printed matter into Mexico during the years 1935 to 1939 are shown in the following table:—

	Books		Other Printed Matter in Book Form	
	Kilos	Pesos	Kilos	Pesos
1935 .. .. .	645,826	1,591,163	94,936	220,766
1936 .. .. .	948,049	1,896,294	100,788	301,425
1937 .. .. .	1,128,071	2,099,306	153,304	407,817
1938 .. .. .	759,112	1,874,583	97,289	366,338
1939 .. .. .	786,648	1,998,934	93,577	319,690

As shown above, there is an average annual importation into Mexico of books proper valued at approximately 2,000,000 pesos. Under the heading "other printed matter" are included almanacs, advertisements, catalogues, directories, writing and drawing books, musical instruction books, tourist propaganda brochures, etc.

A striking feature of the Mexican imports of books is the large number of countries—seventy in all—that supply them. The most probable explanation of this is the number of foreigners who are now resident in the country. However, the bulk of imports of books come from Spanish-speaking countries; until the recent revolution there, Spain was the predominant source of supply, more than 50 per cent by value of the books and reviews received from abroad coming from that country. The outbreak of civil war in Spain resulted in the suspension of these imports, and since then the United States has become the leading supplier. Other sources of supply are, in order of importance, Germany, France, Great Britain, Argentina, and Chile. These seven countries account for more than 90 per cent of total imports. The small remainder comes from numerous countries all over the world, and the books in these shipments have only a small cultural influence on Mexican readers.

Of late there has been a marked increase in imports from Argentina and Chile, since among the Latin American countries the production of books is most highly developed in these two. In 1934 the value of imports of books from Argentina was only 5,000 pesos, but in 1939 this had increased to 293,000 pesos. In Argentina a number of excellent cheap editions and reprints are published in Spanish, modelled after the well-known European Penguin and Albatross editions.

#### REDUCED DEMAND FOR FRENCH PUBLICATIONS

As English is second in importance among the languages in use in Mexico, there is a smaller market available for French publications than formerly. This is the reverse of the situation during the French regime in Mexico. However, following the Maximilian period, there was an English period of influence which has been replaced by a current tendency toward United States publications. A large number of books dealing with the ancient Mexican civilization or serving as guide books for American tourists are imported from the United States. Further, reviews dealing with the cinema are extremely popular among Mexican youth, and there are large imports of these publications.

The market for Canadian publications is small, as the infiltration of Canadian art and culture has lagged behind the development of import trade with the Dominion.

#### ECONOMIC CONDITIONS IN COLOMBIA IN 1940.

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(1.75 peso equals U.S.\$1; one kilo equals 2.2 pounds)

Panama City, April 14, 1941.—Despite adverse conditions prevailing during 1940, due to the European war and the consequent loss of export markets, 1940 was a good year for Colombia. Coffee, the country's chief export commodity, had dropped to new low levels, but the coffee quota agreement which came into force in October did much to remedy unsatisfactory conditions. Production exceeded expectations, and exports of this product reached an all-time high of 4,360,000 bags. These heavy shipments at the end of the year had a marked effect on all phases of business in Colombia.

Gold production was valued at 38,706,000 pesos, an increase of approximately 11 per cent over the 1939 figure. Industrial production showed a considerable

increase, while agriculture developed satisfactorily under government encouragement. Petroleum production increased by 5 to 6 per cent. Banana exports suffered because of the close of European markets, and production had already declined, due to the prevalence of disease.

### FINANCIAL CONDITIONS

The gold reserves of the Banco de la Republica showed a slight increase for the year, while the national revenue showed a decrease, due chiefly to loss of customs revenue because of import restrictions. The Government, however, was able to manage on its income. Banks maintained a strong position, profits and dividends being normal. On the stock market the year ended with all stocks at high levels. Government bonds, with the exception of the 7 per cent issue, showed higher quotations.

Bank deposits increased from 100,000,000 pesos in December, 1939, to 115,000,000 pesos in November, 1940, and once during the year touched 122,000,000 pesos. Savings deposits increased from 15,000,000 pesos to 20,000,000 pesos. Loans to industry increased, as did mortgage loans also. Investments in real estate were slightly less than in 1939. New capital for industry showed an increase.

### INDUSTRIAL PRODUCTION AND TRADE

While no figures are as yet available for industrial production in Colombia during 1940, it is estimated that the output of textiles, shoes, drugs, cement, aluminium, etc., may show a 30 per cent increase over the 1939 figures.

As against the favourable factors mentioned above, however, international commerce showed a decrease in both exports and imports. While Colombia recorded a favourable balance of trade for the year as against an excess of imports during 1939, the decrease in imports had the effect of reducing customs revenue, and the Government was obliged to take drastic steps to curtail expenditure. However, this favourable balance of trade must have assisted the international payments situation, which was badly affected by the drop in coffee prices, making it necessary for the Banco de la Republica to export a good part of the accumulated gold reserves during the year.

Exports were valued at 166,386,000 pesos as compared with 177,054,000 pesos in 1939, a decrease of 10,668,000 pesos. Imports were valued at 148,192,000 pesos as against 183,442,000 pesos, a decrease of 35,250,000 pesos. Colombia had thus a favourable balance of trade for the year of 18,194,000 pesos.

The cost of living in Colombia rose slowly during 1940. While merchants complained of top-heavy stocks at the beginning of the year, due to heavy importations, the situation by August had changed considerably, and retail stores found themselves with very limited stocks of imported merchandise of poor assortment, particularly in dry goods. However, the domestic textile mills increased their production as much as possible in an effort to make up for the shortage of supplies.

Cattle prices were fairly well maintained during the year, although consumption was limited by the reduced purchasing power of the people resulting from lower coffee prices.

Imported capital amounted to over \$14,000,000 during the year. Foreign collections were met satisfactorily. Construction was restricted, and, although buildings under construction were completed, no new projects were started.

In the labour field there were few strikes and no important labour troubles.

### GOVERNMENT POLICY

The National Government announced an ambitious economic plan in an endeavour to meet conditions created by the European war. This involved a



conversion of the internal debt obligations of the State at a considerable saving. Under the same plan the Government contracted a new loan up to a maximum of 20,000,000 pesos with the Banco de la Republica.

### COFFEE

At the beginning of the year the outlook for coffee, Colombia's chief export, was most pessimistic. After the outbreak of war in September, 1939, Colombia was faced with the complete loss of her European export markets for this product. Between October 20 and November 20, 1939, the price of coffee dropped approximately 2 cents per pound. This represented a heavy loss, as a drop of one cent in New York during a year means a decline of \$4,000,000 in crop value. Colombia had planned on shipping at least 500,000 bags to Germany alone.

Other South American countries also suffered the loss of European markets, and therefore such countries as Venezuela offered keen competition in the remaining markets, which meant that prices would be forced downward. Between January and May, 1940, prices continued to drop, but in June they strengthened, and part of the price loss was recovered. Prices during June brought producers a fair return. At this time all coffee growers were anxiously awaiting word from New York as to the results of the Pan-American Coffee Conference, where coffee quotas were being arranged for the various producing countries. Shipments for the first six months of 1940 amounted to 2,235,722 bags as against 2,008,209 bags for the corresponding period of 1939. This increase was noteworthy in view of the loss of markets.

During December, however, the long expected text of the coffee quota agreement was released. Under the quota regulations Brazil was allotted 9,300,000 bags of 60 kilos. Colombia was granted the second largest quota, 3,150,000 bags; El Salvador, 600,000; Guatemala, 535,000; Mexico, 475,000; Venezuela, 420,000; and Haiti, 275,000 bags. All other countries were allotted quotas of 200,000 bags or less. These quotas are for exports to the United States only.

Colombia was apparently the only country affected by the quota agreement to have properly prepared the internal machinery for handling the situation. On November 22, six days prior to the signing of the agreement, three presidential decrees were issued regulating sales and exports of coffee in Colombia and authorizing a bond issue of 10,000,000 pesos to finance purchases of coffee by the Federacion Nacional de Cafeteros. Minimum price-fixing was the chief item in these decrees and American roasters met the increased prices. The quota agreement had the effect of turning the year 1940 from a poor to a good one for Colombia. Shipments of coffee from Colombia during the year reached a record high of 4,679,521 bags, and for the last month of the year also an all-time high of 606,681 bags. This unprecedented movement during December can be accounted for by the fact that shipments had been held up during the quota discussions and also to the fact that the Government premium of 2 pesos per bag expired on December 31.

### SUGAR

Sugar production is confined chiefly to three districts, namely, the coastal area, Valle and Cundinamarca. The consumption of sugar during 1940 was estimated at 1,194,457 bags of 50 kilos. There has been an increase in the planting of cane during 1940, and Colombia should soon be self-supporting in sugar.

### CATTLE

Slaughterings in Barranquilla were 60 per cent greater during December than during the previous month. Well conditioned animals were abundant, prime steers bringing 60 pesos. In Cali prime fat cattle sold at 85 to 90 pesos, and in Cartagena fat steers sold at 68 pesos. In general owners of fattening and

breeding herds had a good average year, and prospects for 1941 are regarded as good.

#### AGRICULTURE

While 1939 was an unfavourable year for agriculture generally in Colombia, the situation gradually improved during 1940. At the beginning of the year there was a shortage of wheat and potatoes because of drought conditions but, due to government assistance, agriculture developed satisfactorily. While wheat production was still down during the year, the potato crop was excellent and did much to lower living expenses throughout the country.

#### TEXTILES

The textile industry in Colombia can be said to be generally in good condition and has undoubtedly profited by exchange restrictions affecting imports of textiles, Manchester cottons in particular. All mills operated normally during the year, and output was limited to consumption. Large profits were made by the textile companies. The artificial silk industry experienced difficulties in obtaining adequate supplies of cheap raw materials.

#### COTTON

Approximately 50 per cent of Colombia's cotton requirements have to be imported. The coast crop in 1940 amounted to 12,500,000 pounds, or only 66 per cent of the 1939 crop. The entire crop was bought up by the textile companies at prices approximately 10 per cent higher than in 1939.

#### PETROLEUM

Petroleum production in 1940 amounted to 25,556,000 barrels as against 23,857,000 barrels in 1939, an increase of 1,699,000 barrels.

#### GOLD PRODUCTION

Gold production for the year 1940 amounted to 631,927 ounces valued at 38,706,000 pesos as against 570,017 ounces valued at 34,914,000 pesos during 1939, an increase of approximately 11 per cent.

#### BUDGET FOR 1941

The budget for 1941 was presented to Congress during September. Revenues for the year were estimated at 82,117,992 pesos and expenditures at the same amount.

#### FOREIGN POPULATION

It is estimated that there are approximately 10,000 foreigners in Colombia, including men, women and children. Of this total, 5,000 are Germans, 2,200 British, 1,500 Italians, 1,000 French and 300 Asiatics.

#### OUTLOOK FOR 1941

There would appear to be no reason why Colombia should not experience a better year economically during 1941 than in 1940. Much depends, however, on the results of the coffee quota system, which at the present time gives every indication of being a complete success for this country. There has been a steady rise in price since the quota scheme came into force, and this will mean added millions to the country's wealth. Already all types of business are benefiting from the coffee quota scheme. Apart from general world conditions, which affect the situation in every country, Colombia is apparently both economically and financially sound at the present time, and should strengthen her position during 1941.

## CHILEAN ECONOMIC CONDITIONS

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(During 1940 the official exchange rate for the Chilean peso was \$0·0574 Canadian; in 1939 the exchange value ranged between \$0·0518 and \$0·0521 Canadian.)

Lima, April 7, 1941.—Chilean economy has been greatly influenced by the European conflict. During the first six months of last year conditions were far from unfavourable, particularly in respect to foreign trade, but the collapse of France and the extension of the blockade caused an abrupt change. Should the conflict be prolonged and a further loss of European markets occur, it is felt that the situation will be aggravated as it is not believed that the nations of the South American continent can offer compensatory markets.

### MINING PRODUCTION

Chile's output of bar copper in 1940 was 337,698 tons, an increase of 12,215 tons over production in 1939. The high level of production reached by the end of 1939 continued for the first five months of 1940, but with the collapse of France, the principal purchaser of Chilean copper at that time, it became necessary to reduce output. During the latter months of the year, following an agreement reached with other large foreign copper producers, production increased again. Chile has been helped considerably by purchases effected by the Metal Reserves Corporation of the United States.

The loss of European markets created a grave problem in the marketing of nitrate, one of Chile's principal exports. Sales to the United States, however, have increased greatly and as a result production for the nitrate year 1940-41 will remain at that for the year 1939-40, viz., 1,500,000 tons.

Coal production in 1940 showed an increase of four per cent over that of 1939, amounting to 1,925,368 tons.

The production of gold rose by five per cent, totalling 10,663 kilograms.

### MANUFACTURING

A general increase in Chilean manufacturing occurred in 1940, amounting to 11 per cent over that of 1939. This increase was particularly marked in the production of glass, matches, paper, cloths and footwear. Sales of manufactured goods also continued to rise and were higher by 7 per cent than those of 1939. Comparing the averages of the monthly indexes of sales of manufactured goods for 1939 and 1940 those for glass and matches rose 27 per cent; footwear and coke, 20 per cent; cement, 11 per cent; beer, 10 per cent; and cloth and soaps, 9 per cent.

Consumption of electric power increased by 11 per cent over that of 1939.

### CONSTRUCTION

Construction activity in Chile continued in 1940 at approximately the high level attained in 1939. Estimates, owing to the rise in prices, showed an increase of 6·5 per cent. On the other hand, the area built showed a drop of 1·5 per cent as compared with that of 1939. Total estimates amounted to 356,100,000 pesos in 1940 as compared with 334,300,000 pesos in 1939.

### EMPLOYMENT AND WAGES

Generally speaking, there was practically no unemployment in Chile in 1940. Those registered as seeking employment at the end of 1940 numbered 4,876 as compared with 4,951 at the corresponding period of 1939 and 2,233 at that of 1938.



Increases occurred in total wages paid, principally due to increases in wage rates. Total wages paid in 1940 amounted to 2,455,000,000 pesos as compared with 2,019,000,000 pesos in 1939 and 1,716,000,000 in 1938. The following index numbers of wages paid, consisting of monthly averages and based on 1927-29 equals, indicate the trend of Chilean wage levels from 1934 to 1940:—

1934	1935	1936	1937	1938	1939	1940
104.7	127.7	147.3	177.9	200.5	237.5	287.9

### COST OF LIVING

The cost of living rose 13 per cent in 1940 over that of 1939. The principal increases were: foodstuffs, 16 per cent; fuel and light, 12 per cent; clothing and rental, approximately 9 per cent; sundries, 7 per cent.

The following table shows the changes in the cost of living in Chile during the past ten years:—

#### *Index of the Cost of Living in Santiago*

(March, 1928=100)

Year	Foodstuffs	Rent	Fuel and Light	Clothing	Sundries	General Index
1931 . . . . .	103.3	118.1	94.5	96.9	122.9	107.1
1932 . . . . .	115.1	107.2	101.2	134.5	104.0	113.9
1933 . . . . .	147.4	108.4	138.3	181.8	126.1	141.4
1934 . . . . .	148.5	108.4	139.8	173.8	131.9	141.5
1935 . . . . .	155.0	120.6	136.4	166.7	122.6	144.4
1936 . . . . .	171.1	124.6	144.9	188.9	123.5	156.6
1937 . . . . .	204.8	135.5	162.4	190.9	131.0	176.4
1938 . . . . .	214.4	144.6	168.9	190.9	140.1	184.1
1939 . . . . .	210.4	157.7	162.6	199.9	146.1	186.6
1940 . . . . .	244.8	171.3	181.9	218.3	155.8	210.3

### WHOLESALE PRICES

The upward tendency in wholesale prices, which began in September, 1939, continued through 1940, the increase over 1939 amounting to 10 per cent. Farm produce prices rose by 20 per cent, the increase occurring principally in meats and animal products. Prices of national industrial products and imported products rose 9 per cent, and those of mining products by 1.2 per cent.

### FOREIGN TRADE

Chile's total foreign trade in 1940 was valued at 1,185,400,000 gold pesos, an increase of 114,700,000 gold pesos or 10 per cent over the 1939 value. Exports were valued at 679,500,000 pesos, showing an increase of only 19,100,000 pesos or 2.9 per cent above 1939. Imports, on the other hand, were valued at 505,900,000 pesos, an increase of 95,400,000 pesos or 23.2 per cent over 1939.

### IMPORTS

There was a particularly noteworthy increase in 1940 in the importation of mine products into Chile, the value of such imports rising to 50,800,000 pesos from 25,700,000 pesos in 1939, an increase of 102 per cent. Imports of coal necessary to make up the deficiency in national production contributed substantially to this increase, their value rising from 1,000,000 pesos in 1939 to 12,000,000 pesos in 1940. Imports of petroleum also increased in value from 15,500,000 pesos in 1939 to 28,600,000 pesos in 1940. An increase of 62 per cent in cattle imports, principally from the Argentine, largely accounted for the imports under the heading of dairy products. Transportation equipment and

materials showed a rise of 30 per cent due to the importation of considerable equipment for the railways.

In order of importance, the following other increases occurred in Chilean imports during the year: industrial chemicals, 26 per cent; those for the textile industries, 24 per cent; products for the metallurgical industries, 18 per cent; those for agriculture, 12 per cent. Imports of general manufactures increased 7 per cent, but imports under the headings of machinery and articles and tools for industry remained more or less stationary.

The import trade from Europe, which in 1939 suffered a marked decline of some 30 per cent in value from that of 1938, fell some 33 per cent from that of 1939. Imports from Germany declined in a very marked fashion; also those from France, Belgium, Sweden and other countries. Importations from the United Kingdom, which had fallen in 1939, rose to their 1938 level. The chief increases in purchases from that country occurred in cotton thread for spinning, cotton and woollen textiles, praffin and coal. Due to the decline in imports from Europe there was a marked increase in imports from the United States and certain Latin-American and Asiatic countries. Imports originating in the United States rose in value to 242,700,000 pesos in comparison with 127,900,000 pesos in 1939, an increase of 90 per cent. Imports from Latin-American countries increased by 50 per cent in value.

#### EXPORTS

As in the case of imports, the leading increases in exports were in products of the mining industry. Shipments of copper, which constitute the greater percentage of mineral exports, rose to a value of 480,800,000 pesos of 6d. gold, being some 45 per cent above those of 1939. This increase was due to higher prices, as the volume of copper exported fell by 17·7 per cent. Shipments of nitrate and iodine, however, had a value of 141,000,000 pesos, showing a decline of 6·6 per cent in comparison with 1939.

Exports of cattle and dairy products fell by 9,600,000 pesos in value to 32,300,000 pesos. Exports of tripe fell by 48 per cent in value and those of hides and skins suffered a decline of 35 per cent. Exports of wool fell 15 per cent in value due to lower prices abroad, their volume only falling 5 per cent.

Exports of agricultural products declined 19 per cent in value, from 52,500,000 pesos in 1939 to 42,600,000 pesos in 1940. The principal losses occurred in exports of barley, lentils and fruits. Shipments of some alimentary products, such as beans, chick-peas and peas, showed an increase. Exports of fresh and frozen meats remained at approximately the same level.

By way of comparison, exports to Europe were valued in 1938 at 362,900,000 pesos, in 1939 at 263,700,000 pesos and in 1940 at 76,500,000 pesos. On the other hand, exports to the United States in 1940 reached a value of 406,100,000 pesos, which was almost double the 1939 value; those to Latin American countries rose by 34 per cent; and sales to Asiatic countries, almost exclusively to Japan, increased by 162 per cent.

#### AGRICULTURE

The cereal harvest in the 1939-40 season was below that of the previous year. The yields of barley and oats were considerably less. Barley returns for the crop year 1938-39 were 1,089,665 metric quintals (the Chilean quintal equals 101·4 pounds), whereas they only amounted to 732,153 metric quintals in 1939-40. The oats harvest fell from 1,526,888 metric quintals in 1938-39 to 851,568 metric quintals in 1939-40. This was largely due to the smaller area of ground cultivated, although yields were also lower.

Although wheat sowings were maintained at those of the previous year, the returns were less, amounting to 8,603,243 metric quintals in 1939-40 as compared

with 9,671,420 metric quintals in 1938-39. The price of wheat, which is fixed officially, fluctuated between 85 pesos and 90·10 pesos per metric quintal. As in 1939 the Agricultural Export Board made fairly large purchases in the market and these, together with the surplus available from the previous year, formed a stock which made the market heavy. Millers apparently showed little interest at any time in purchasing, as they counted on the stocks carried over from the previous year to meet their needs. It was not until the first months of 1941, as a result of the bad prospects for the new harvest, which is estimated at 5 to 10 per cent less than the yield for 1939-40, that greater interest was shown. The official price of wheat for the present year was fixed at 95 pesos per 100 kilograms, to be increased to 101 pesos in view of the increase in the cost of production and in order to encourage wheat growers.

The vegetable harvest in 1939-40 was also inferior to that of the previous year. The decline was almost exclusively due to a smaller yield of potatoes and green peas, beans, corn, chick-peas and lentils being harvested in greater quantity. In the case of those products principally intended for export, such as beans, lentils and chick-peas, however, a fall in price occurred. On the other hand, the prices of green peas, potatoes and certain classes of beans for internal consumption rose.

Preliminary estimates of the grain harvest for the agricultural year 1940-41 show a decline in the wheat crop, due to a decline in sowings and to damage caused by rust. The oats crop is also expected to be smaller, but it is estimated that the barley crop, despite the decline in the area cultivated, will show an increase, as the yields have been good.

#### BANKING AND STOCKS

Banking activity continued to rise in 1940. Credit operations increased by 168,400,000 pesos and in December reached a total of 2,551,700,000 pesos. Operations responsible for this increase included the principal ones of rediscounts to the member banks, loans to the nitrate industry and to the Agricultural Export Board. Increases occurred in deposits in the commercial banks and the National Savings Bank of 102,400,000 pesos and 202,000,000 pesos respectively. The average interest and commission charged by the commercial banks during the second half of 1940 was 8·43 per cent as against 8·31 per cent in the first half and 8·38 per cent in the second half of 1939.

According to the report of the Central Bank of Chile, the circulating medium contained its upward trend during 1940, to a greater degree than in the previous year. There has been a considerable increase in the currency in free circulation, from 816,000,000 pesos at the end of 1939 to 967,000,000 pesos at the end of 1940. Of this increase only two-thirds may be considered justified by the rise in the general price level in 1940. The remainder, some 50,000,000 pesos, may perhaps be accounted for by the hoarding of notes by the public.

The value of protested bills has remained approximately at the same level during the past three years. The number of bankruptcies fell from 144 in 1939 to 110 in 1940.

Activity on the stock exchange increased over that of the two previous years, the value of transactions amounting to 1,020,000,000 pesos in comparison with 844,400,000 in 1939 and 840,600,000 in 1938. Share quotations advanced considerably in the first months of 1940, but dropped abruptly in the middle of the year and, with certain fluctuations, remained at a low level during the second half of 1940. The result was that the general index of share quotations showed almost no variation in relation to the returns for 1939.

Government receipts in 1940 totalled 2,051,000,000 pesos and expenditure 2,201,800,000 pesos, thus indicating a deficit of 150,000,000 pesos.



## CANADIAN TRADE OPPORTUNITIES IN CENTRAL AND SOUTH AMERICA

Mr. D. S. Cole, Canadian Trade Commissioner at New York City, writes that a shipping firm in New York, with sailings to Central and South American countries, where it has good connections, is desirous of representing Canadian firms for the sale of Canadian products in those countries.

At present this firm has on hand inquiries for dried salted codfish, bleached and unbleached sulphite pulp, prime kraft pulp and linerboard, mechanical pulp, and newsprint paper.

Interested Canadian firms are invited to communicate with the Department of Trade and Commerce, Ottawa (quoting file No. 22189) or with the Canadian Government Trade Commissioner, British Empire Building, Rockefeller Center, New York, N.Y.

## TARIFF CHANGES AND TRADE REGULATIONS

### Australia

#### ADDITIONAL IMPORT RESTRICTIONS

The Acting Canadian Trade Commissioner in Sydney cables that goods classified under several items of the Australian customs tariff were made prohibited imports as from May 15, 1941. The goods affected are: Roofing and sheathing paper; electric insulating paper and boards; cartridge paper, offset and drawing; duplicating paper; absorbent paper for copying machines; blotting paper; surface coated paper not separately specified in the tariff, plain or having printed or embossed designs thereon; boxmakers' fancy papers having printed or embossed designs thereon; cover paper and pressings; millboards; ceramic transfers for pottery; wax paper in rolls or reels less than 6 inches in width or in shapes of less than 144 square inches area, not separately specified in the tariff; radiator assemblies classified under tariff item 359D4a and b (unassembled motor vehicle chassis).

#### MOTOR VEHICLE CHASSIS IMPORT QUOTAS

With reference to the report by L. M. Cosgrave, Canadian Trade Commissioner in Sydney, published in *Commercial Intelligence Journal* No. 1938 (March 22, 1941), page 363, regarding quotas on motor vehicle chassis imported into Australia during the 12 months, May 1, 1941, to April 30, 1942, a later order issued on April 2, 1941, provides that the requirement to "spread" importations shall apply to *car* chassis only. Hence the whole of an importer's *truck* quota may be imported at the importer's discretion during the whole period. In determining the spread of *car* chassis the percentage is to be based on the total of the *car* quota only.

### Bermuda

#### MOTOR CARS FOR UNITED STATES BASES

A Bermuda Act of May 3, 1941, to remain in force until December 31, 1942, provides that "notwithstanding anything in the Motor Car Act, 1934, or any Act amending or replacing that Act, the Governor in Council in any case where he thinks it necessary or desirable during the construction of any United States

Base may, by a permit in writing issued by him or on his behalf, grant permission to the appropriate United States authority to use motor vehicles on any public road, or any part or section thereof, specified in the permit."

#### CUSTOMS DUTIES EXEMPTIONS FOR UNITED STATES BASES

With reference to the announcement in the *Commercial Intelligence Journal* of March 8, 1941, page 297, respecting exemption from duty in Bermuda of materials imported for the purpose of United States Naval and Air base, an Act of May 3, 1941, extends the duration to September 30, 1941, of this customs duties remission act.

#### India

##### NEW PROHIBITIONS NOT APPLICABLE TO CANADA

With reference to the article in *Commercial Intelligence Journal* No. 1899 (June 22, 1940), page 993, Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, cables that effective May 10, 1941, the Indian Government imposed an absolute embargo upon import from hard currency countries, exclusive of Canada and Newfoundland, of goods enumerated in several tariff items which include: bacon and ham; butter, cheese, and *ghee*; milk, condensed or preserved, including milk cream; vegetables, fresh, dried, salted or preserved, not otherwise specified; coffee; lard; some non-essential oils; fish, canned; isinglass, canned or bottled; unprepared cocoa and chocolate; biscuits, cakes and patent foods, canned or bottled; fruit juices; vegetables, canned or bottled; various canned or bottled goods; provisions, oilman's stores and groceries; all sorts of food and drink not enumerated in specific tariff items; wines up to 42 per cent proof spirit; spirits except when in medicine; vinegar in casks; cement; mineral oil for wick lamps; prints, engravings, photographs and picture post cards.

The Trade Commissioner reports that, while he cannot give assurance for any definite period, there is at present, on account of these prohibitions not being applicable to Canada, an opportunity for Canadian exporters of the goods affected to seek expansion of trade with India. He requests that exporters interested should, as soon as possible, send samples, specifications, catalogues, and prices c.i.f. Indian ports in Canadian dollars. He advises exporters to ask for letters of credit, except in cases where he recommends that this is not necessary.

"Vegetable product, jams, jellies, pickles, chutneys, sauces and condiments, canned or bottled", are also in the list of prohibitions just announced, but the Trade Commissioner points out that the former prohibition of import from Canada, as well as from foreign countries, continues in force; also that other goods in the "restricted" class continue to be "restricted."

The cablegram refers to another category of goods from hard currency countries, other than Canada or Newfoundland, which are made subject to quotas based on imports during the year ending March 31. These goods are: starch and farina; rosin; certain paints; saddlery, harness, trunks and bags; leather cloth, artificial leather and various other leather manufactures; printed matter, except educational books; oil and floor cloth; lacquered ware; globes and chimneys for lamps and lanterns, electric lighting bulbs and glass and glassware in general; metal lamps and parts; cutlery; typewriters and parts; sewing machines and parts; electric fans; photographic apparatus excluding cinema; brushes.

#### Mexico

##### TARIFF CHANGES

Mr. A. B. Muddiman, Canadian Trade Commissioner in Mexico, writes that a decree, effective May 3, 1941, makes some amendments and additions to the

Mexican tariff. Most of these amendments consist of a revision of the wording of the items and the addition of some items to cover goods not previously mentioned specifically. A few rates have been amended, among them being an increase in the duty on electric accumulators from 0·50 to 0·80 peso per kilogram. New items have been added to the tariff to include washing machines, on which the rate fixed is 0·08 peso per kilogram when weighing up to 100 kilograms and 0·06 peso per kilogram when weighing over 100 kilograms. Other products affected include copper wire and cable, mica, bromine, sizes and glues, sulphonated oils and fats, clocks and time-registering apparatus.

## Peru

### RESTRICTIONS ON PHARMACEUTICAL PRODUCTS

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that according to a report from the Peruvian Department of Public Health and in compliance with a resolution of February 28, 1941, the issue of clearances relative to the authorization and registration of imported pharmaceutical specialties has been suspended as from April 16, 1941, pending a change in the present laws of the medicine trade, which is now under consideration. However, in very exceptional cases dealing with products which are universally known as being completely efficacious under the present law, the necessary transaction will be permitted after a hearing by the Technical Commission.

### PENALTIES FOR FAULTY DECLARATION OF MERCHANDISE

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that a Peruvian decree of April 24, 1941, provides for the levying of double duties on merchandise that is found, when entering through the customs, to be substantially different from that declared in the consular invoice, even though a request for amplification of the consular invoice has been made.

## EXCHANGE SITUATION IN CHILE

### W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, May 8, 1941.—A strict system of control of both imports and exchange is in operation in Chile. The loss of European markets has drastically reduced export outlets for Chilean merchandise and consequently has adversely affected her exchange position. Shippers of goods to the republic must, therefore, anticipate some delay in payments of amounts owing them.

A statement was recently issued to the press by the Chilean Exchange Commission directing attention to the republic's trade difficulties, and it was intimated that additional restrictions may be imposed on the importation of non-essential and luxury goods in 1941. The reason given was that prior to the outbreak of hostilities a considerable share of Chilean imports was paid for by compensation exports, whereas now merchandise has to be imported mainly from the United States at a considerably higher cost. Since free-trade countries were not purchasing sufficient quantities of Chilean products, this had caused a scarcity of exchange. Therefore it was useless to present to the Commission repeated applications for larger import quotas for automobiles, radios, foot warmers, refrigerators, toasters, electric driers, and other articles of a similar nature. Preference would be given to applications to import raw materials and prime necessities, such as wood pulp for the production of paper, yarns for the textile



mills, pharmaceuticals, equipment for the state railways, gasoline, sugar for the refineries and repairs for machinery already in operation.

### DOLLAR EXCHANGE

The supply of ordinary export draft dollar exchange is spasmodic and scanty, and delays in payment of from six to seven weeks may be expected. By decree, the Government has resolved to suspend temporarily the amortization of its foreign debt, and this will probably relieve some of the pressure on exchange payments. The export draft rate of the Exchange Control Commission is fixed at 24·90 Chilean pesos buying and 25 pesos selling for import and export business. D.P. (gold, free and mining) exchange, which after authorization by the Commission can be purchased at 31 Chilean pesos to the United States dollar, is fairly plentiful. This exchange is used mainly for the purchase of luxury goods and for certain other articles which the Commission may designate.

A revised list of merchandise for which importation and payment will be authorized by the Exchange Control Commission only at the D.P. (gold, free and mining) rate of exchange of 31 pesos to the United States dollar has been recently issued. The list includes the following:—

Essential oils; some pharmaceutical products; radios and parts; X-ray apparatus; and accessories; metal filing cabinets; arms and munitions; dental goods; sporting goods; household equipment; automobiles; scales; rubber boots and shoes; cacao; inner tubes for motor trucks and automobiles; motor trucks and chassis; crepe rubber; wearing apparel; slide (zipper) fasteners; shredded coconut; calfskins; alarm clocks; laces; spices; specifics not commonly used and high in price; razor blades; oilcloth (when not material); surgical instruments; costume jewellery; mechanical toys, rubber balloons and carnival goods; literary works; liquors and similar beverages; flashlights; electric shavers; machinery in general; typewriters; cash registers and accounting machines; photographic equipment, films, plates and supplies; silk hosiery; water, gas and electric motors; tires for automobiles and motor trucks; cellophane paper; paraffin (for uses other than for the manufacture of candles); electrical goods; heating equipment; motion-picture films; artificial leather; petroleum for refining; fountain pens; fine porcelainware; preservatives of rubber; insurance policy premiums; electric refrigerators; electric clocks; remittances for assistance; remittances of profits and investment funds; automobile and motor-truck parts; rubber clothing; sanitary fixtures; milk cans; tea; bathing suits; travel; canvas shoes; other articles which in the opinion of the Commission can support this class of exchange.

### STERLING EXCHANGE

For ordinary import-export business the Exchange Control Commission has fixed a rate of 100·65 Chilean pesos buying and 101·35 pesos selling to the pound sterling. The D.P. (gold, free and mining) exchange rate for business authorized by the Commission is 125·70 pesos to the pound sterling for sellers. As from November 11, 1940, all transactions either of a commercial or financial nature between Chile and the "sterling area" must be settled in accordance with the terms of the Anglo-Chilean Payments Agreement which came into effect on that date. This provided for the opening of Chilean "special accounts" by banks and certain other institutions operating in Chile with their correspondents in the United Kingdom.

### IMPORT QUOTAS

Permits for most imports are granted on a quota system, the amount allowed to any one importer depending upon his importations of the commodity in question during the last two or three years. Importers should experience no difficulty in obtaining permission to bring in goods from Canada provided such quotas have not already been filled from other countries. The chief point to be observed, however, is that payment be obtained for the goods, since in general and for some time the Exchange Control Commission has refused to allow exchange until the merchandise ordered has arrived in Chile. Even after delivery at the customs warehouse a delay of at least a month is experienced in most

cases. Canadian exporters, therefore, in order to protect themselves as far as possible, should give instructions that the shipments are to be released only against payment in United States dollars.

### TERMS

Payments for imports from Canada into Chile are dependent on the granting of United States dollar exchange, which is subject to the delays mentioned above. At present, therefore, it is not recommended that better terms than cash against documents be granted other than to large old-established firms that may have funds available abroad through their own export activities. The exercise of caution is advisable, and care should be taken that amounts owing do not reach too high a total.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 19, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 19, 1941, and for the week ending Monday, May 12, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 12	Nominal Quotations in Montreal Week ending May 19	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2646	.2646	3½
Switzerland . . . . .	Franc	.1930	.2576	.2575	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2281	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2631	.2633	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6325	.6325	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4551	.4607	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0594	.0588	—
Hongkong . . . . .	Dollar	.....	.2703	.2711	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Preserved Foodstuffs of all Kinds.....	93	Mexico City, Mexico.....	Agency.
Chocolates, Chocolate Bars, and Confectionery.....	94	Bridgetown, Barbados.....	Purchase and Agency.
Gin and Whisky.....	95	Mexico City, Mexico.....	Agency.
<b>Miscellaneous—</b>			
Druggists' Sundry Rubber Goods.....	96	Mexico City, Mexico.....	Agency.
Stoves and Ranges, Wood and Coal.....	97	Punta Arenas, Chile.....	Agency.
Ladies' Silk Hosiery.....	98	Lima, Peru.....	Agency.
Artificial Silk Yarns, Silk Tops, and Artificial Raw Materials of all Kinds.....	99	Mexico City, Mexico.....	Agency.



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barelay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. Scott, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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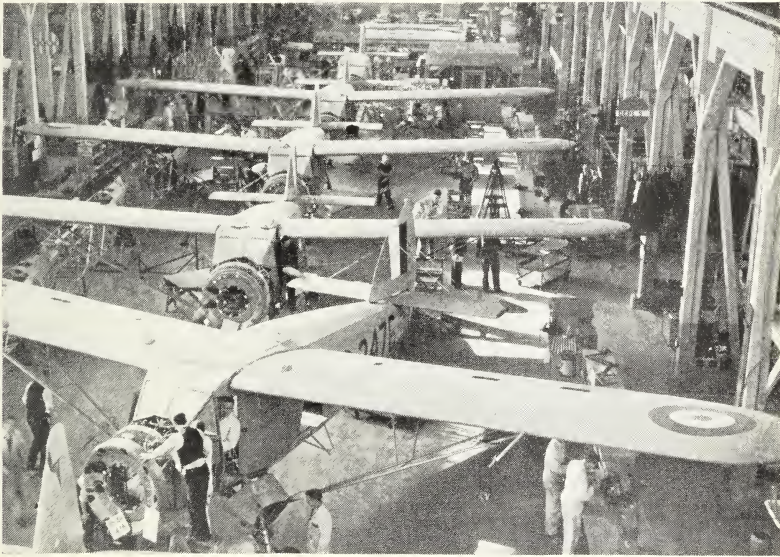
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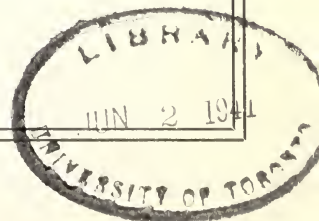
No. 1948



**Completed Norseman Trainers Receiving Final Adjustments  
in Montreal Plant**

*Photo—Public Information*

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER





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Figure 1. The proposed model for the development of the self-regulation of learning. The model illustrates the relationship between various factors influencing the development of self-regulation of learning. The central concept is 'Self-regulation of learning', which is influenced by 'Metacognitive skills' and 'Metacognitive strategies'. 'Metacognitive skills' are further influenced by 'Metacognitive knowledge' and 'Metacognitive strategies'. 'Metacognitive knowledge' is influenced by 'Metacognitive strategies' and 'Metacognitive skills'. 'Metacognitive strategies' are influenced by 'Metacognitive knowledge' and 'Metacognitive skills'. The model also shows the relationship between 'Metacognitive skills' and 'Metacognitive strategies'.

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## FOREIGN TRADE OF THE UNITED STATES IN 1940

D. S. COLE, CANADIAN TRADE COMMISSIONER.

New York, May 19, 1941.—United States foreign trade in 1940 reached its peak for the past ten years. Although fostered by conditions resulting from war, this achievement nevertheless reflects much credit on United States traders, considering the wide range of obstacles with which they have been faced, including the establishment of war zones and blockades, the requisitioning of ocean shipping, export and import controls by belligerent nations and the United States, and the freezing of large amounts of foreign funds.

The following features of United States trade during the year are of special interest to Canadians:

1. An increase of 50 per cent in United States exports to Canada as compared with an increase of 20 per cent in imports therefrom.

2. The shipment of \$2,622,501,000 worth of gold from Canada to the United States as compared with \$613,116,000 in 1939. The greater part of these shipments were, of course, for British account.

3. A tremendous increase in exports to Great Britain towards the end of the year.

4. The striking persistence of imports of United Kingdom goods into the United States despite an enormous war effort.

5. The complete cessation of exports to and imports from "Axis" belligerents and invaded countries.

## VALUE OF TRADE

The total value of the foreign trade (exports and imports combined) of the United States for 1940 amounted to \$6,647,009,009 as compared with \$5,495,257,348 in the previous year, a gain of 22·7 per cent. The excess value of exports over imports for 1940 was \$1,396,118,893, the largest in 19 years, indicating that the war has produced fewer shifts in United States import trade than in exports.

The following table shows the excess of exports over imports in recent calendar years:—

1929..	\$841,634,000	1937..	\$ 265,499,000
1932..	288,242,000	1938..	1,134,012,000
1935..	235,389,000	1939..	859,095,000
1936..	33,386,000	1940..	1,396,119,000

## PRINCIPAL MARKETS

According to the preliminary figures of the Department of Commerce, United States exports in 1940 were valued at \$4,021,564,000, a gain of \$844,-388,000 or 26.6 per cent over the 1939 total of \$3,177,176,000. The volume of exports was 17 per cent greater than in 1939, while the average export price was 6.3 per cent over the 1939 average price. Exports to about 70 per cent of the most important markets in 1940 were larger than in 1939. As the war

progressed, exports to Germany, Italy and occupied countries practically ceased, while trade with the rest of the world increased.

The following tables show the values of United States exports to principal foreign countries and British Empire countries in 1940 and 1939, with percentage increases or decreases in the later year:—

*United States Exports to British Empire and Other Principal Countries*

	1940 \$1,000	1939 \$1,000	Inc.+ Per Cent	Dec.—
Total to all countries . . . . .	4,021,564	3,177,176	+	26.6
British Empire countries—				
Canada . . . . .	714,518	489,103	+	46.2
United Kingdom . . . . .	1,009,623	505,404	+	100.0
Union of South Africa . . . . .	105,928	70,403	+	51.4
Australia . . . . .	75,455	61,554	+	22.9
India . . . . .	68,428	42,811	+	58.1
New Zealand . . . . .	18,074	16,544	+	9.2
Trinidad and Tobago . . . . .	10,279	6,948	+	42.8
Ireland . . . . .	8,035	9,811	—	18.3
Jamaica . . . . .	3,545	5,930	—	40.6
Bermuda . . . . .	2,685	3,537	—	22.8
Other principal countries—				
France . . . . .	252,455	182,089	+	37.3
Japan . . . . .	227,204	232,184	—	2.1
Brazil . . . . .	110,588	80,345	+	37.5
Argentina . . . . .	106,877	70,945	+	51.4
Russia . . . . .	86,943	56,638	+	53.5
China . . . . .	77,956	55,614	+	36.3
Venezuela . . . . .	69,212	61,966	+	13.1
Italy . . . . .	51,473	58,864	—	13.5
Netherlands . . . . .	34,023	97,417	—	64.9
Belgium . . . . .	24,997	64,588	—	61.5

The following table shows the United States domestic exports by commodity groups in 1940, with comparative values for 1939:—

*United States Exports By Commodity Groups*

	1940 Millions of Dollars	1939 Millions of Dollars
Total . . . . .	3,934.7	3,123.9
Animal and animal products, edible . . . . .	71.3	75.6
Animal and animal products, inedible . . . . .	41.4	43.6
Vegetable food products and beverages . . . . .	168.6	236.7
Vegetable products, inedible, except fibre and wood . . . . .	144.1	176.2
Textile fibres and manufactures . . . . .	346.8	357.9
Wood and paper . . . . .	160.3	100.4
Non-metallic minerals . . . . .	465.9	504.7
Metals and manufactures, except machinery and vehicles . . . . .	821.9	462.3
Machinery and vehicles . . . . .	1,312.0	895.2
Chemicals and related products . . . . .	221.9	164.6
Miscellaneous . . . . .	180.5	106.4

The value of United States exports to countries in the British Empire was greater than for 1939, Canada and the United Kingdom purchasing to the extent of \$1,724,141,000 or 43 per cent of the total exports. Shipments to the United Kingdom were valued at \$1,009,623,000, or almost double the 1939 exports valued at \$505,404,000.

Exports to Canada were valued at \$714,518,000 as against \$489,103,000 in the previous year, a gain of \$225,415,000 or 46.2 per cent. Large increases over 1939 exports were reported in shipments to the Union of South Africa, India, Australia, Trinidad and Tobago, and New Zealand, while exports to Jamaica, Ireland and Bermuda were below the 1939 levels.

Due to the virtual closing of some of the principal markets in Europe following their occupation by Germany, United States exports to the Continent in 1940 declined by almost \$148,000,000 or 19 per cent. However, heavy shipments to France during the first half of the year, consisting largely of military



supplies, were valued at \$252,455,000 or 37.2 per cent over the 1939 total of \$182,089,000. Shipments to Italy, the Netherlands, and Belgium all showed heavy declines from the previous year's figures. Exports to Russia and China were well above those of 1939, while those to Japan, totalling in value \$227,-204,000, were 2.1 per cent below the 1939 value. A direct result of the war has been a closing of European sources of supply to the South American countries. These have now turned to the United States for products formerly purchased in Europe, resulting in large gains for United States exports to Argentina, Brazil, Venezuela, Colombia, Chile, and Peru.

#### EXPORTS OF PRINCIPAL COMMODITIES

A heavy demand for United States war materials has resulted in finished manufactures and semi-manufactures dominating the United States export trade, these two groups, accounting for 82.3 per cent of the total value of exports. Completely finished manufactures accounted for 59.2 per cent of the total, while semi-manufactures made up 23.1 per cent. Exports of crude materials accounted for 11.6 per cent of the total, while manufactured foodstuffs and beverages and crude foodstuffs accounted for 4.2 per cent and 1.9 per cent, respectively. Exports of finished manufactures increased by 39.8 per cent in value and 30 per cent in quantity over the previous year's figures, and semi-manufactures showed a gain of 47.5 per cent in value and 39 per cent in quantity. On the other hand, exports of crude materials declined by 13.6 per cent in value and 19 per cent in quantity from the 1939 totals. Manufactured foodstuffs and beverages were down 17.6 per cent in value and 20 per cent in volume, and crude foodstuffs declined by 33.2 per cent in value and 42 per cent in volume.

The following table shows values for the twenty chief exports from the United States in 1940 and 1939, with the percentage increase or decrease and the percentage which the value for each item was of the total export value:—

#### *Twenty Chief Exports from the United States*

	1940	1939	Inc. +	Dec. —	Per Cent of 1940
	\$1,000	\$1,000	Per Cent	Per Cent	Total
Aircraft, parts and accessories. . . . .	311,757	116,910	+	166.7	7.9
Automobiles, parts and accessories. . . . .	254,308	253,722	+	0.2	6.5
Power-driven metal-working machinery . . . .	246,516	112,572	+	119.0	6.3
Unmanufactured cotton . . . . .	213,662	243,460	—	12.2	5.4
Electrical machinery and apparatus . . . . .	116,708	105,306	+	10.8	3.0
Steel ingots, blooms, slabs, etc. . . . .	98,543	8,091	+	1,117.9	2.5
Iron and steel plates, sheets, skelp and strips	97,609	52,033	+	87.6	2.5
Lubricating oil . . . . .	94,465	90,959	+	3.9	2.4
Coal and coke . . . . .	87,068	66,576	+	30.8	2.2
Refined copper in ingots, bars or other forms	81,841	82,210	—	0.4	2.1
Agricultural machinery and implements. . .	76,879	68,507	+	12.2	2.0
Crude petroleum . . . . .	67,845	92,790	—	26.9	1.7
Gasoline . . . . .	64,859	96,997	—	33.1	1.6
Iron and steel bars and rods . . . . .	64,317	16,616	+	287.1	1.6
Firearms and ammunition . . . . .	64,164	5,024	+	1,177.1	1.6
Iron and steel tubular products . . . . .	48,398	24,059	+	101.2	1.2
Iron and steel scrap . . . . .	47,097	54,690	—	13.9	1.2
Tinplate, terneplate, and tagger's tin. . . .	44,375	33,033	+	34.3	1.1
Leaf tobacco. . . . .	43,632	76,826	—	43.2	1.1
Merchant vessels . . . . .	40,799	2,687	+	1,418.4	1.0

#### AIRCRAFT

During 1940 aircraft became the leading export commodity, with a total value of \$311,757,000 or 166.7 per cent over the 1939 total of \$116,910,000. While the increase was due largely to heavy shipments of military planes to Great Britain, Canada, France and China, there were also heavy shipments of

commercial aircraft to non-belligerents in all parts of the world. Shipments abroad consisted of 3,425 landplanes and 4,986 aircraft engines.

#### AUTOMOBILES AND PARTS

With the loss of leading markets in Europe and import limitations in other parts of the world, exports of automobiles dropped to second place, although the 1940 value of \$254,308,000 was 0·2 per cent above the 1939 total of \$253,722,000. Shipments of passenger cars totalled 91,165 units or 35 per cent below the 1939 figure; motor trucks, mostly for military use, totalled 104,000 units, a decline of 9·6 per cent from the previous year. Automobile engine exports amounted to 35,564 and were down 38 per cent, while shipments of automobile tires reached a total of 1,107,000, a decline of 6·7 per cent from the previous year's figure.

#### MACHINERY

Exports of machinery and metal items, accounting for 38 per cent of the total value of exports in 1940, consisted mostly of industrial machinery and iron and steel shipped to Great Britain and Canada for the production of munitions. In the industrial machinery group, which set a new high mark, the value of exports of power-driven metal-working machinery totalled \$246,516,000, a gain of 119 per cent over the 1939 value of \$112,572,000. Exports of electrical machinery and apparatus were valued at \$116,708,000 as compared with \$105,306,000 in the previous year, a gain of 10·8 per cent. Other types of machinery showing increases included agricultural machinery and implements valued at \$76,879,000 as against \$68,507,000 in 1939, a gain of 12·2 per cent, construction and conveying machinery, and textile machinery. On the other hand, exports of well and refinery machinery, mining and quarrying machinery, and business machines were below those of 1939.

#### IRON AND STEEL PRODUCTS

The heavy foreign demand for iron and steel brought about record exports of 7,785,540 tons, exclusive of scrap, valued at \$476,351,000, about three times the 1939 tonnage, while the value was up about 163 per cent. Exports of steel ingots, blooms, slabs, etc. totalled \$98,543,000, or almost twelve times the 1939 value of \$8,091,000. The value for iron and steel plates, sheets, skelp and strips increased by 87·6 per cent, from \$52,033,000 in 1939 to \$97,609,000. Iron and steel bars and rods increased from \$16,616,000 to \$64,317,000, while exports of iron and steel tubular products valued at \$48,398,000 were double the 1939 value. Exports of iron and steel scrap amounted to 2,792,000 tons valued at \$47,097,000 as compared with 3,551,538 tons valued at \$54,690,000 in 1939, a decline of 21·4 per cent in quantity and 13·9 per cent in value.

#### REFINED COPPER

Shipments abroad of refined copper totalled 712,862,000 pounds valued at \$81,841,000 and were 4·4 per cent below the 1939 record of 745,331,000 pounds and 0·4 per cent below the 1939 value of \$82,210,000. However, the exports were largely foreign copper refined in bond.

#### FIREARMS AND AMMUNITION

United States exports of firearms, ammunition and explosives were valued at \$85,032,000 as compared with \$10,023,000 in 1939. The exports consisted of 151,494 machine and heavy ordnance guns and carriages, 948,342 rifles, 102,264

revolvers and pistols, 554,000 metallic cartridges, and 73,237,000 pounds of explosives.

#### PETROLEUM AND PETROLEUM PRODUCTS

Due to the loss of the European markets, crude petroleum exports dropped to 51,495,000 barrels (\$67,845,000) or 29 per cent in volume and 26·9 per cent in value under the 1939 total of 72,064,000 barrels (\$92,790,000). Shipments of gasoline totalled \$64,859,000 and were 33·1 per cent below the 1939 value of \$96,997,000. While exports of lubricating oil declined by 13 per cent in volume, the 1940 value of \$94,465,000 was 3·9 per cent over the 1939 total of \$90,959,000. Other refined products showing declines in volume were gas oil and fuel oil, gasoline, kerosene, and paraffin wax.

#### UNMANUFACTURED COTTON

Exports of unmanufactured cotton, which held first place among the export commodities during the first half of 1940, dropped to fourth place for the year. This was attributed to the curtailed buying and loss of markets in the second half of the year. Shipments for the first six months totalled 1,653,523,000 pounds as compared with 395,543,000 pounds in the latter half of the year. The total quantity was 2,049,066,000 pounds valued at \$213,662,000 as compared with 2,567,164,000 pounds at \$243,460,000 in 1939, a decline of 20·2 per cent in quantity and 12·2 per cent in value.

#### CHEMICALS AND RELATED PRODUCTS

Sales abroad of chemicals and related products were valued at \$221,865,000 as compared with \$164,658,000 in the previous year, a gain of 35·1 per cent. Industrial chemicals increased by 47 per cent in value, medicinal and pharmaceutical preparations by 31 per cent, coal tar products by 95 per cent, and fertilizers by 18 per cent. Shipments of pigments, paints and varnishes were about 1·4 per cent below the 1939 value.

#### LEAF TOBACCO

Leaf tobacco exports amounted to 217,098,000 pounds in 1940, the smallest in more than 50 years and 33·7 per cent below the 1939 total of 327,216,000 pounds. The 1940 value was \$43,632,000, a decline of 43·2 per cent from that for the previous year.

#### FOODSTUFFS

Shipments of foodstuffs were valued at \$239,930,000 as compared with \$312,330,000 in 1939, a decrease of 23 per cent. Although the blockade of the principal European markets, rationing of foods and curtailed exports to the United Kingdom due to lack of shipping space and exchange all combined to reduce the export sales of foodstuffs, export volumes for a number of items exceeded the 1939 quantities. These included corn, milled rice, dried beans, fresh and frozen pork, refined sugar, canned salmon, and condensed, evaporated and dried milk. On the other hand, exports of the following commodities showed marked declines in quantity: wheat, soybeans, canned fruit, oranges, grapefruit, lemons, prunes, apples, raisins, oil cake and oil-cake meal, and sausage casings.

#### UNITED STATES IMPORT TRADE

United States imports for consumption in 1940 were valued at \$2,540,289,000, a gain of 11·6 per cent over the 1939 value of \$2,276,099,000. The quantity of merchandise imported was 4·6 per cent above the 1939 figure, while the average import price rose 7·3 per cent over the 1939 level.



The following tables show values for United States imports for consumption in 1940 and 1939 from British Empire countries and other principal countries, with percentage increases in 1940 over values in the preceding year:—

*United States Imports from British Empire and Other Principal Countries*

	1940 \$1,000	1939 \$1,000	Inc. + Per Cent	Dec. —
Total from all countries.. . . .	2,540,289	2,276,099	+	11.6
British Empire countries—				
Canada .. . . .	400,562	332,681	+	20.4
British Malaya.. . . .	268,488	149,058	+	79.8
United Kingdom.. . . .	135,691	151,320	—	9.9
India .. . . .	101,099	66,338	+	53.0
Union of South Africa .. . . .	53,531	31,555	+	70.9
Australia.. . . .	24,286	15,764	+	50.0
New Zealand.. . . .	8,084	11,553	—	27.2
Trinidad and Tobago .. . . .	1,728	2,073	—	17.6
Jamaica .. . . .	1,461	1,494	—	2.2
Bermuda .. . . .	256	288	—	11.1
Other principal countries—				
Japan .. . . .	156,933	161,082	—	2.5
Brazil .. . . .	104,786	106,298	—	1.8
China .. . . .	87,493	60,334	+	45.0
Argentina.. . . .	80,571	58,555	+	37.9
Chile .. . . .	56,970	31,096	+	80.6
Venezuela.. . . .	41,187	23,413	+	78.2
France .. . . .	38,827	61,406	—	37.7
Belgium .. . . .	29,513	62,931	—	52.3
Italy .. . . .	25,177	38,807	—	35.9
Russia .. . . .	22,274	24,494	—	8.3
Netherlands .. . . .	8,591	28,272	—	71.4
Germany, including Austria, Czechoslovakia, and Poland and Danzig.. . . .	7,444	60,202	—	88.3

The following table shows imports into the United States in 1940 and 1939 by commodity groups:—

*United States Imports by Commodity Groups*

	1940 Millions of	1939 Dollars
Total.. . . .	2,540.3	2,276.3
Animal and animal products, edible.. . . .	72.7	95.4
Animal and animal products, inedible .. . . .	170.8	149.8
Vegetable food products and beverages .. . . .	489.8	508.7
Vegetable products, inedible, except fibre and wood .. . . .	499.1	352.2
Textile fibres and manufactures .. . . .	405.6	359.8
Wood and paper .. . . .	258.1	260.3
Non-metallic minerals .. . . .	161.0	136.6
Metals and manufactures, except machinery and vehicles .. . . .	338.8	227.4
Machinery and vehicles .. . . .	11.1	15.1
Chemicals and related products .. . . .	58.3	79.5
Miscellaneous .. . . .	74.9	91.4

While United States imports from many countries included in the British Empire were below those of 1939, substantial gains were made in those from Canada, British Malaya, India, South Africa, and Australia. Canada, the leading source of supply for United States imports, furnished goods valued at \$400,562,000, a rise of 20.4 per cent over the 1939 value of \$332,681,000. Imports from British Malaya, the second largest supplier, increased by \$119,430,000 or 79.8 per cent over the 1939 value. Together, Canada and British Malaya were credited with 25 per cent of United States imports in 1940.

Imports from the United Kingdom were valued at \$135,691,000, a decline of \$15,629,000 or 9.9 per cent from the 1939 figure. Receipts from Jamaica, Bermuda, Trinidad and Tobago, and New Zealand showed declines ranging from 2.2 per cent to 27.2 per cent.

Reflecting the closing of European sources of supply to the United States by the spread of the war has been the large decrease in imports from various

European countries. Declines in shipments of goods from these countries have been as follows: Germany, including Austria, Czechoslovakia, Poland and Danzig, 88·3 per cent; Netherlands, 71·4 per cent; Belgium, 52·3 per cent; France, 37·7 per cent; and Italy, 35·9 per cent. In addition to the above declines, small decreases were recorded for imports from Japan, Brazil and Russia. On the other hand, the United States increased her purchases from the Netherlands Indies as well as from such South American countries as Argentina, Chile, Venezuela and Colombia. Imports from China have also shown a substantial gain for 1940.

#### NOTES ON IMPORTS OF PRINCIPAL COMMODITIES

The defence program in the United States, requiring heavy purchases of strategic and other materials for the defence industries, has brought about an exceptionally heavy import of crude materials and semi-manufactures. These two import groups accounted for \$1,569,026,000 or 51·8 per cent of the total imports and their values were 35·6 per cent and 14·8 per cent respectively above the 1939 totals. Imports of finished manufactures, crude foodstuffs and manufactured foodstuffs showed declines of 7·2 per cent, 2 per cent, and 11·5 per cent, respectively.

The following table shows the values for the twenty chief imports into the United States in 1940 and 1939, with percentage increases or decreases for 1940 and the percentage which the value for each item is of the total import value:—

#### *Twenty Chief Imports Into the United States*

	1940	1939	Inc. +	Dec. -	Per Cent	Per Cent
	\$1,000	\$1,000	Per Cent	Per Cent	of 1940	Total
Crude rubber, including latex . . . . .	318,469	178,489	+	78.4	12.5	
Tin, bars, blocks, pigs, etc. . . . .	128,294	70,591	+	81.7	5.1	
Coffee . . . . .	126,808	139,574	—	9.1	5.0	
Raw silk . . . . .	124,997	120,852	+	3.4	4.9	
Standard newsprint paper . . . . .	124,667	115,716	+	7.7	4.9	
Cane sugar . . . . .	113,253	124,649	—	9.1	4.5	
Unmanufactured wool . . . . .	84,604	49,667	+	70.3	3.3	
Undressed and dressed furs . . . . .	75,998	52,765	+	44.0	3.0	
Wood-pulp . . . . .	60,194	75,876	—	20.7	2.4	
Copper ore, concentrates, etc. . . . .	59,621	42,703	+	39.6	2.3	
Raw hides and skins, except furs . . . . .	50,188	47,056	+	6.7	2.0	
Burlaps . . . . .	45,476	27,961	+	62.6	1.8	
Distilled liquors . . . . .	44,729	48,285	—	7.4	1.8	
Diamonds, including industrial . . . . .	44,625	45,099	—	1.1	1.8	
Nickel and alloys, . . . . .	41,551	28,975	+	43.4	1.6	
Unmanufactured tobacco . . . . .	36,722	36,918	—	0.5	1.4	
Crude petroleum . . . . .	32,211	23,289	+	38.3	1.3	
Cocoa, or cacao, beans . . . . .	32,141	27,585	+	16.5	1.3	
Bananas . . . . .	29,094	29,083	+	0.03	1.1	
Fish . . . . .	29,074	32,404	—	10.3	1.1	

#### CRUDE RUBBER

Imports of crude rubber, including latex, set a new high mark in 1940, amounting to 1,832,862,000 pounds valued at \$318,469,000 as compared with 1,118,820,000 pounds in 1939, a gain of 63·8 per cent in quantity and 78·4 per cent in value. At the close of 1940, stocks on hand were estimated at 318,486 tons, which included 112,811 tons of "agreement" rubber held by the United States Government.

#### TIN

Imports of tin, a strategic material, moved into second place among the leading imported commodities and amounted to 279,575,000 pounds (\$128,294,000) as compared with 157,029,000 pounds (\$70,591,000) in 1939, an increase of 78 per cent in quantity and 81·7 per cent in value.

## COFFEE

For the third consecutive year imports of coffee reached a new high in quantity, the 1940 receipts being 2,053,082,000 pounds valued at \$126,808,000 as against 2,014,279,000 pounds valued at \$139,574,000 in the previous year, an increase of 1.9 per cent in quantity and a decline of 9.1 per cent in value.

## STANDARD NEWSPRINT PAPER

Standard newsprint paper imports amounted to 5,525,075,000 pounds (\$124,667,000) as compared with 5,230,257,000 pounds (\$115,716,000) in 1939, a gain to 5.6 per cent in volume and 7.7 per cent in value. Imports of wood-pulp totalled 2,449,140,000 pounds (\$60,194,000), a decrease of 39.6 per cent in volume and 20.7 per cent in value from the previous year's total of 4,052,418,000 pounds (\$75,876,000). Pulpwood imports increased by 27 per cent from 3,958,059,000 pounds in 1939 to 5,025,370,000 pounds in 1940.

## CANE SUGAR

Cane sugar imports totalled 5,829,080,000 pounds (\$113,253,000) as compared with 5,826,633,000 pounds (\$124,649,000) in the previous year, an increase of 0.4 per cent in volume and a decline of 9.1 per cent in value.

## DISTILLED LIQUORS

Imports of distilled liquors totalled 11,238,000 gallons (\$44,729,000) as against 11,422,000 gallons (\$48,285,000) in 1939, a decline of 1.6 per cent in volume and 7.4 per cent in value.

## OTHER COMMODITIES SHOWING MARKED GAINS

Among the various commodities imported into the United States during 1940, the following all recorded gains as compared with the figures for the previous year: unmanufactured wool, undressed and dressed furs, copper ores and concentrates, raw hides and skins, burlaps, nickel and alloys, crude petroleum, gas oil and fuel oil, and lumber.

## COMMODITIES SHOWING DECLINES

Important commodities the imports of which showed heavy declines from the 1939 figures included raw silk, fish, cattle, fertilizers, industrial chemicals, linen fabrics, cheese, shingles, cotton cloth, leather, and platinum ores.

## GOLD AND SILVER MOVEMENTS

According to a recent report of the Federal Reserve Board, the heavy movement of gold to the United States, which has been in progress since the Munich crisis of 1938, has diminished to the level of new gold production, and capital which has been flowing into this country is now flowing out as a result of loans to foreign countries and British liquidation of United States assets. The blockade of Europe, depletion of British Empire gold reserves, and the fact that the United States is now unable to spare strategic commodities for export to Russia and Japan are all factors leading to the end of the unusual gold movement to the United States. It is anticipated that from now on the flow of gold to the United States from foreign countries will be largely limited to the current gold production of those countries.

United States imports of gold in 1940, totalling in value \$4,749,467,000, were by far the largest ever recorded for any country. Marked changes occurred



in 1940 in the character of both the inflow of capital and the trade balance as imports for private account gave way to accumulations for foreign governments and central banks after the European war developed.

The 1940 gold imports of \$4,749,467,000 were \$1,174,808,000 or 32.7 per cent over the 1939 total of \$3,574,659,000. Receipts from Canada amounted to \$2,622,501,000 or 55.2 per cent of the total as compared with \$613,501,000 in 1939, an increase of 328 per cent; however, a large proportion of the imports from Canada were for British account. Shipments from the United Kingdom totalled \$633,100,000 as against \$1,826,463,000 in 1939, a decline of 65.3 per cent. During the past year receipts from France totalled \$241,778,000; from South Africa, \$183,739,000; from Sweden, \$161,489,000; from Japan, \$111,739,000; and from Australia, \$103,777,000.

Imports of silver for 1940 totalled \$58,434,000 as against the 1939 import value of \$85,307,000. Of the total receipts, Mexico shipped to a value of \$25,811,000; Japan, \$10,308,000; Canada, \$7,213,000; and Peru, \$6,261,000.

The value of exports of gold from the United States in 1940 amounted to \$4,995,000 as compared with \$508,000 in the previous year, and nearly all was exported to Bolivia. Exports of silver totalled \$3,674,000, of which \$1,288,000 was sent to India, \$804,000 to Roumania, and \$728,000 to Canada.

#### TRADE FORECAST FOR 1941

Any forecast as to the future of United States foreign trade must of necessity be tentative and based on the ebb and flow of the fortunes of war. Assuming that the British blockade will continue, the Continental market for United States goods may be eliminated. British Commonwealth of Nations requirements for war materials should continue at even a higher level than at present, particularly assistance to Great Britain under the Lend-Lease Bill.

Exports to Latin America should increase, owing to continued curtailment of manufactured goods from European sources brought about by the war, and financial assistance through the Export-Import Bank will undoubtedly continue to help maintain Latin-American purchasing power.

The sharp increase in hostility to Japan, coupled with Japanese shortage of foreign exchange will undoubtedly greatly reduce both export and import trade with that country. There should be greatly decreased imports of gold, other than newly produced, owing to the depletion of British reserves.

#### MR. COSGRAVE ON TOUR OF CANADA

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia (whose territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies), is on tour in the Dominion in the interest of Canadian trade with Australia. Following is his itinerary to the end of June:—

Montreal and district . . . .	June 2 to 18	Welland . . . . .	June 25
Brockville, Kingston and		St. Catharines, Niagara	
district . . . . .	June 23	Falls and district . . . .	June 26
Port Hope . . . . .	June 24	Hamilton and district . . .	June 27 to 30

Firms wishing to be brought in touch with Mr. Cosgrave should communicate for Montreal with the Montreal Board of Trade, and for the other centres with the respective Board of Trade or Chamber of Commerce.

## SUMMARY OF THE TRADE OF CANADA: MONTH OF APRIL AND FOUR MONTHS ENDING APRIL, 1941

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of April, 1941				Four Months ending April, 1941			
	To United Kingdom		From United States		To United Kingdom		From United States	
	Total Imports	\$	Total Exports	\$	Total Imports	\$	Total Exports	\$
<i>Imports for Consumption</i>								
Agricultural and Vegetable Products.....	10,911,181	470,016	17,364,676	4,496,270	45,466,448	2,258,058	16,616,290	
Animals and Animal Products.....	2,475,876	409,945	8,771,838	4,803,616	10,941,443	1,515,540	6,582,148	
Fibres, Textiles and Textile Products.....	12,317,371	4,158,688	3,758,318	267,144	48,183,881	16,743,895	16,456,742	
Wood, Wood Products and Paper.....	2,814,225	222,898	4,441,332	7,191,085	12,216,226	717,120	11,161,554	
Iron and its Products.....	37,914,185	2,233,350	10,437,291	6,984,470	135,334,525	6,028,226	128,969,532	
Non-Ferrous Metals and their Products.....	9,019,408	1,477,685	10,437,291	6,984,470	30,608,016	3,966,266	22,587,165	
Non-Metallic Minerals and their Products.....	9,608,258	1,041,336	4,559,062	2,278,934	38,428,728	3,966,428	30,255,733	
Chemicals and Allied Products.....	5,385,877	630,146	838,104	1,173,312	18,223,010	2,023,673	15,528,798	
Miscellaneous Commodities.....	15,822,038	4,365,668	5,195,521	1,040,493	62,862,504	19,446,264	42,816,859	
Totals, 1941.....	106,268,419	15,009,742	77,682,490	15,009,742	402,264,731	56,694,470	290,974,821	
1940.....	85,979,519	13,368,275	58,536,937	13,368,275	304,859,113	44,361,848	209,908,227	
1939.....	41,908,347	6,642,958	28,852,972	28,852,972	184,412,109	32,138,142	122,533,059	
<i>Exports (Canadian Produce)</i>								
Agricultural and Vegetable Products.....	24,792,380	14,912,114	1,967,946	18,966,362	62,325,151	41,309,792	10,370,504	
Animals and Animal Products.....	14,912,114	8,771,838	3,758,318	267,144	54,133,462	30,047,844	19,294,736	
Fibres, Textiles and Textile Products.....	1,967,946	3,758,318	7,191,085	6,984,470	7,337,590	1,692,629	726,306	
Wood, Wood Products and Paper.....	28,399,682	15,155,126	18,601,590	10,437,291	104,315,714	18,969,075	72,006,172	
Iron and its Products.....	18,601,590	3,292,937	3,691,888	4,559,062	57,796,646	25,290,713	2,439,140	
Non-Ferrous Metals and their Products.....	3,292,937	3,691,888	3,691,888	4,559,062	71,630,498	40,631,367	27,316,629	
Non-Metallic Minerals and their Products.....	3,691,888	4,559,062	4,559,062	4,559,062	11,497,669	1,701,276	8,402,234	
Chemicals and Allied Products.....	3,691,888	4,559,062	4,559,062	4,559,062	11,700,588	2,856,071	4,977,012	
Miscellaneous Commodities.....	6,778,904	5,195,521	5,195,521	5,195,521	24,631,563	19,525,754	3,455,704	
Totals, 1941.....	116,982,587	55,017,187	55,017,187	55,017,187	405,369,151	182,094,521	148,948,427	
1940.....	83,503,008	37,498,504	37,498,504	37,498,504	327,493,482	147,154,710	109,022,524	
1939.....	30,311,424	16,956,362	16,956,362	16,956,362	247,235,273	91,361,634	90,619,953	
<i>Exports (Foreign Produce)</i>								
Totals, 1941.....	1,492,463	104,088	104,088	104,088	5,536,153	1,250,647	2,804,963	
1940.....	1,127,670	36,886	36,886	36,886	3,862,244	111,301	3,591,700	
1939.....	675,429	31,267	31,267	31,267	2,887,141	230,230	2,420,509	
<i>Excess of Imports (\$) or all Exports (e)</i>								
Totals, 1941.....	(e) 12,156,631	(e) 40,111,533	(i) 34,220,342	(e) 34,220,342	(e) 8,640,573	(e) 126,580,698	(i) 139,221,431	
1940.....	(i) 1,286,841	(e) 24,167,115	(i) 27,778,136	(i) 27,778,136	(e) 26,466,613	(e) 102,904,163	(i) 97,361,003	
1939.....	(e) 9,078,506	(e) 10,344,671	(i) 6,919,121	(i) 6,919,121	(e) 65,710,305	(e) 59,453,722	(i) 27,492,597	

## CANADA'S DOMESTIC EXPORTS IN APRIL

PREPARED BY THE INDUSTRIAL RESEARCH BRANCH, DOMINION BUREAU OF STATISTICS

The accompanying tables of Canada's domestic exports by principal countries and principal commodities and groups of commodities in April show a continuance of the tendencies of earlier months of this year.

Exports to the United Kingdom at \$55 million compare with \$37 million in April, 1940, and those to the United States at \$42 million with \$30 million; the former rise being attributable to the needs generated by more intensive warfare, the latter to the great industrial activity of the United States. Australia was the third highest country of consignment for Canadian goods, exports to that Dominion at over \$3 million showing a 50 per cent rise over the previous April. Egypt came fourth, taking shipments valued at \$2,346,000 as compared with \$120,000. Exports to British India at \$1,871,000 were four and a half times the value for April, 1940; those to the Straits Settlements showed a threefold increase at \$765,000; to British South Africa they were doubled at \$2,132,000; to the British West Indies, Newfoundland and Bermuda they increased by 50 to 75 per cent. Among Empire countries, considerable declines are revealed in exports to Hongkong, New Zealand and Eire. In the case of New Zealand and Australia the change from the previous year for the month of April was in the opposite direction to that for the four months ending April.

Shipments to Argentina, Brazil, Chile, among South American countries, show increases. Those to China nearly doubled in the month of April and multiplied threefold in the four months ending April. Exports to Japan continued at a level approximately one-fifth that of the previous year.

As in earlier months of 1941, exports of iron and its products were responsible for a very considerable part of the increase in total exports. Thus, of the total rise of \$33 million, \$11 million was in this group, \$8 of the \$11 million being made up of automobiles and parts. The miscellaneous group accounted for \$5 million of the increase, likewise continuing the tendency of past months. Exports of agricultural products, however, showed a reversal of the earlier trend for this group, with a value of \$25 million, an excess of more than \$11 million over April, 1940. Wheat was responsible for this increase. Shipments of wood, wood products and paper were up \$4 million from their earlier high figure to a total of \$28 million, the increases being fairly widely distributed through the group. Most of the other groups showed slight changes.

### *Domestic Exports, Excluding Gold, by Principal Countries*

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

	Month of April		Four months ending April	
	1940	1941	1940	1941
	Thousands of Dollars			
All countries.. . . .	83,565	116,933	327,463	405,369
Empire countries.. . . .	45,423	67,881	184,811	234,193
British East Africa.. . . .	37	243	152	2,247
British South Africa.. . . .	1,133	2,132	7,318	10,998
Southern Rhodesia.. . . .	91	122	436	831
British West Africa.. . . .	27	34	158	456
Bermuda.. . . .	129	190	379	565
British India (with Burma).. . . .	406	1,871	2,066	10,211
Ceylon.. . . .	10	17	128	130
Straits Settlements.. . . .	230	765	1,580	2,597
British Guiana.. . . .	183	348	515	1,190
British West Indies.. . . .	1,068	1,839	4,013	6,192
Hongkong.. . . .	314	142	869	636
Newfoundland.. . . .	648	1,020	1,950	3,161



*Domestic Exports, Excluding Gold, by Principal Countries—Concluded*

	Month of April		Four months ending April	
	1940	1941	1940	1941
	Thousands of Dollars			
Australia . . . . .	2,108	3,083	13,147	8,398
Fiji . . . . .	16	19	151	149
New Zealand . . . . .	1,342	816	2,565	3,118
Palestine . . . . .	17	155	159	281
Eire . . . . .	119	32	1,912	871
United Kingdom . . . . .	37,499	55,017	147,155	182,025
Foreign countries . . . . .	38,142	49,052	142,652	171,176
United States . . . . .	29,733	42,401	109,023	148,948
Argentina . . . . .	506	541	1,255	1,995
Brazil . . . . .	330	698	1,447	2,410
Chile . . . . .	104	170	496	402
China . . . . .	368	694	924	2,742
Colombia . . . . .	101	108	565	475
Cuba . . . . .	88	198	542	686
Egypt . . . . .	120	2,346	360	5,556
French possessions . . . . .	48	23	194	223
Japan . . . . .	1,119	229	5,763	1,135
Mexico . . . . .	340	277	1,158	1,224
Netherlands East Indies . . . . .	106	227	535	752
Panama . . . . .	36	47	166	183
Peru . . . . .	78	76	472	349
Portuguese Africa . . . . .	236	41	1,001	288
Sweden . . . . .	58	21	520	23
Switzerland . . . . .	227	108	549	475
Hawaii . . . . .	105	23	334	205
Philippines . . . . .	153	156	480	499
Puerto Rico . . . . .	27	66	134	215
Uruguay . . . . .	4	74	19	157
Venezuela . . . . .	192	129	577	441

*Domestic Exports, Excluding Gold, by Commodity Groups and Leading Commodities*

	April, 1940	April, 1941
	Thousands of Dollars	
Total domestic exports . . . . .	83,565	116,933
Agricultural products . . . . .	13,483	24,792
Grains (total) . . . . .	5,403	17,935
Wheat . . . . .	4,771	17,393
Wheat flour . . . . .	2,167	3,047
Animal products . . . . .	13,153	14,912
Cattle (except for stock) . . . . .	1,336	1,061
Fishery products . . . . .	2,072	2,507
Furs (chiefly raw) . . . . .	1,074	993
Meats . . . . .	5,504	7,926
Fibres and textiles . . . . .	1,607	1,968
Wood and paper . . . . .	24,754	28,400
Planks and boards . . . . .	3,862	4,465
Wood pulp . . . . .	4,353	6,820
Paper, newsprint . . . . .	12,318	13,019
Iron and products . . . . .	4,165	15,165
Pigs, ingots, etc. . . . .	359	1,554
Farm implements . . . . .	759	1,347
Machinery, other than farm . . . . .	1,123	1,542
Automobiles and parts . . . . .	590	8,766
Non-ferrous metals (excluding gold) . . . . .	19,519	18,662
Non-metallic minerals . . . . .	2,305	3,223
Stone . . . . .	587	1,102
Chemicals . . . . .	2,777	3,032
Miscellaneous . . . . .	1,802	6,779

JAMAICAN MARKET FOR LUMBER AND SHINGLES

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, May 16, 1941.—The demand for imported sawn lumber in Jamaica runs normally to around 16,000,000 feet board measure annually, consisting mainly of pitch pine and Douglas fir. Small quantities of white pine and California Redwood are also used; spruce is practically unknown in this market. For generations, pitch pine, long leaf and short leaf, from the Southern States had been the standard building material of its kind in the Colony, and it was not until recent years, following a concerted effort on the part of the British Columbia lumber producers, that Douglas fir gained a foothold in the trade. To-day the qualities of Douglas fir are known and appreciated among the building trade, and the prejudice and sales resistance which formerly existed against that species of wood has almost entirely disappeared.

IMPORT STATISTICS

The following tables show imports of various types of lumber into Jamaica in the calendar years 1939 and 1940 and the first three months of 1941; details of imports by countries of origin are available for 1939 only:—

Imports of Lumber into Jamaica

	1939		1940		Jan.-Mar., 1941	
	Ft. B.M.	£ (C.I.F.)	Ft. B.M.	£ (C.I.F.)	Ft. B.M.	£ (C.I.F.)
Douglas fir, rough—						
Canada . . . . .	1,575,367	13,054	*	*	*	*
Total . . . . .	1,575,367	13,054	2,506,637	25,603	961,835	12,690
Douglas fir, dressed—						
Canada . . . . .	1,212,718	12,973	*	*	*	*
Total . . . . .	1,212,718	12,973	2,113,220	25,820	605,490	8,387
Pitch pine, rough—						
Bahamas . . . . .	837,974	6,639	*			
United States . . . .	5,503,970	51,322	*	*	*	*
San Domingo . . . .	118,239	1,016				
Total . . . . .	6,460,183	58,977	5,713,815	62,316	2,045,607	22,771
Pitch pine, dressed—						
Bahamas . . . . .	743,010	7,974	*	*	*	*
United States . . . .	5,936,893	64,145				
Total . . . . .	6,679,903	72,119	5,499,376	68,243	2,261,206	36,166
White pine, rough—						
Canada . . . . .	140,726	1,385	*	*	*	*
Total . . . . .	140,726	1,385	87,329	1,574	101,464	1,078
White pine, dressed—						
Canada . . . . .	165,031	1,994	*	*	*	*
Total . . . . .	165,031	1,994	79,045	1,965	69,263	501
Unenumerated, rough—						
British Guiana. . .	33,278	881				
British Honduras . .	20,091	320				
Canada . . . . .	1,994	50				
Trinidad. . . . .	30,053	827	*	*	*	*
United States . . . .	7,288	130				
Brazil . . . . .	19,024	18				
Other countries . .	94	2				
Total . . . . .	112,722	2,228	312,381	8,061	45,451	1,258
Unenumerated, dressed—						
British Guiana. . .	72	1				
Canada . . . . .	15,228	244	*	*	*	*
United States. . . .	425	17				
Total . . . . .	15,725	262	29,590	263	Nil	Nil

\* Details of imports by countries of origin are not available for publication.

## DOMESTIC HARDWOODS

The advance in the price of imported lumber, due to wartime conditions, has given an impetus to the use of locally grown hardwoods for building purposes. Supplies of these were and still are relatively small, and much of the lumber was hand-sawn, with the result that there were no standard dimensions, the planks and boards being very rough and requiring much work by the carpenters. These woods, most of which have the great advantage of being termite-proof, were, therefore, but little used. In recent months, however, a small well-equipped mill has been in operation in Kingston to cater to the demand for local hardwoods, but it is reported to be having difficulty in obtaining sufficient supplies of logs.

The Jamaican timber stands are limited in area and mostly difficult of access; there is no organized lumber industry. However, from time to time Jamaica Government officers publicly stress the acknowledged superior durability of the local product and the Government appears to be favourably inclined towards the development of its use. In this direction a scheme for the collection, curing and distribution of local lumber has been submitted to the Government by its Marketing and Trade Commissioner Department, by which it would be operated. The purpose is to encourage the use of local hardwoods for building and thereby reduce imports of pine and fir.

The damage done by termites to buildings constructed of pitch pine or Douglas fir can largely, if not entirely, be prevented by employing up-to-date architectural methods. This formidable problem is said to have been solved by United States authorities in the Panama Canal Zone. The Jamaican Government entomologist has made an exhaustive study of the whole question, which it is hoped may lead to an improvement in building practice as affected by this destructive pest.

For many years practically all the ties used in the 210 miles of government-owned railway have been of locally grown hardwoods and, according to official reports, they have been entirely satisfactory. In 1928 a small lot of Douglas fir sleepers was imported and laid, and they were reported in 1939 to have given excellent service. On the other hand, according to railway officials, local hardwood sleepers laid 40 years ago were still in service, although it was admitted that this length of service was not general. The chief advantage claimed for Douglas fir sleepers is their uniformity, a characteristic which the local product does not possess.

Some Douglas fir piles have been used in the past for pier construction and, while some difficulty was experienced in driving them, they appear to have stood up well. A quantity of creosoted piles was imported from the United States in 1938, and some greenheart piles from British Guiana in 1939.

## SHINGLES

Wooden shingles are the principal roofing material in Jamaica, except in the business section of Kingston where their use is forbidden because of the fire hazard. British Columbia red cedar shingles have supplied the bulk of the demand for several years, although some cypress, red wood and wallabas have also been imported. The 6-inch dimension shingle is in greatest demand.

Shingles are also sawn and split in Jamaica from locally grown cedar and other woods, and the trade has shown moderate development recently, as in the case of locally produced lumber.

Imports of shingles during the calendar years 1939 and 1940 were as follows:—



*Imports of Shingles into Jamaica*

	1939		1940	
	No.	£ (C.I.F.)	No.	£ (C.I.F.)
Cypress—				
United States . . . . .	162,500	753	78,300	428
British Guiana . . . . .	18,000	37	1,001	1
Total . . . . .	180,500	790	79,301	429
Cedar—				
Canada . . . . .	1,326,395	3,553	*	*
United States . . . . .	105,264	328	*	*
Total . . . . .	1,431,659	3,881	1,659,533	4,961

\* Details of imports by countries of origin are not available for publication.

In recent years a tile manufacturing industry has been established in the Island, and its output is now of moderate proportions. Roofing tiles have found favour with the better class purchasers and are in use on some of the newly built dwellings. Corrugated iron sheets are also used in large quantities for roofing—chiefly on warehouses and shops but also on houses of the poorer people. The use of this material for this purpose is, however, now being rigorously restricted as a conservation measure, and this restriction should lead to an increased demand for wood shingles.

## TARIFF DUTIES

The Jamaican import duties on rough lumber are, per 1,000 superficial feet, 6s. 9d. under the British preferential and 14s. 9d. under the general tariff. On dressed lumber the respective rates are 10s. 6d. and 18s. 6d. The maximum margin of preference is fixed by the subsisting Anglo-American Trade Agreement. Cypress shingles are dutiable at 4s. 6d. per 1,000 pieces and cedar shingles at 3s. per 1,000 pieces, but if the country of origin of the imports is not within the British Empire, an additional ad valorem rate of 10 per cent (computed on the c.i.f. value) is imposed on both products, representing the margin of tariff preference on such British Empire shingles.

Besides these rates, a package tax is charged on all lumber and shingles imported into Jamaica, as follows: Lumber, rough and dressed, per 1,000 feet or less superficial measurement, 5s.; shingles, per 1,000 or less, 2s.

## MARKET PROSPECTS

A moderate increase in the Jamaican demand for lumber and shingles can be expected in the next few years because, aside from the growing population, a program to improve living and, in general, social conditions is going forward. The Government has enacted slum-clearance laws, under which many new and better dwelling houses have recently been built in Kingston. The West Indies Royal Commission stressed the need for an expansion of such activity which, although slowed down by the war, has not been stopped and no doubt will be quickened when conditions become more favourable. The Jamaica Government recently arranged for a large local building society to assist in financing the Kingston slum-clearance campaign.

The importation and use of lumber will also receive some impetus from the policy of iron and steel control, under which the use of these commodities is restricted to essential purposes.

## **SOUTH AFRICAN MARKET FOR POTATO STARCH**

**J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER**

Cape Town, April 17, 1941.—There is a small market for potato starch in the Union of South Africa. During the period 1935 to 1940 the average volume of annual imports was 545,354 pounds with a value of £2,916. Prior to the war the Netherlands was the only important supplying country. Small quantities were credited to the United Kingdom and Poland, but about 97 per cent of the total came from Holland.

There is no domestic production of potato starch in South Africa. The imported product is used by the foodstuffs industry, principally manufacturers of sausages and similar meat products. It is also used as an ingredient in various other food preparations.

### **CORN STARCH USED AS A SUBSTITUTE**

While potato starch is not made in South Africa, corn starch, which can be used as a substitute, is produced extensively from an abundant supply of raw material grown in the country. Since potato starch from the Netherlands has no longer been obtainable, this corn starch has been utilized to an ever increasing extent, and former consumers of potato starch are not dissatisfied with the results obtained, particularly in view of its comparatively low price. For some purposes the potato product is still preferred, however, and if the price is low enough, Canadian manufacturers could obtain a limited amount of business.

### **PRICES**

Before the invasion of the Netherlands, Dutch exporters sold to this country at £12 10s. per long ton c.i.f. Cape Town. There is an import duty of 1½d. per pound on imported starch, making the landed cost at this price slightly above £26 10s. per ton. South African corn starch is currently quoted at £20 to £21 a ton.

During the past year there have been some imports of potato starch from the United States. Quotations, which are in American funds, are c.i.f. Cape Town per sack of 200 pounds and include a 5 per cent commission. In July, 1940, business was done at \$18.38. Prices dropped thereafter to \$16.74 in September, \$13.43 in November, and \$12.13 in December.

Canadian manufacturers of potato starch who are interested in the South African market are invited to forward samples and prices to the office of the Trade Commissioner in Cape Town.

## **CONDITIONS IN AUSTRALIA DURING 1940**

**FREDERICK PALMER, CANADIAN TRADE COMMISSIONER**

Melbourne, April 10, 1941.—Up to the end of 1940 Australia experienced little economic strain as a consequence of the war. The diversion of industry to the manufacture of munitions, the training of fighting forces, and the transfer of military units abroad, actually proved stimulating factors.

After the outbreak of war industrial production expanded in tremendous proportions. At the end of 1940 employment was at the lowest level then recorded, and pay-rolls, including payment for overtime, were thought to exceed those of the most prosperous of previous periods. Wheat and fruit growing, as 1940 closed, were the only large industries to have really suffered through the war; their difficulties, however, were ameliorated by generous government assistance.

Reactions to increased taxation imposed during the year were not marked. An abundance of money was indicated by the fact that the deposits of the nine trading banks of Australia reached a new record high level of £A335,600,000 in December, 1940, as compared with £A335,000,000 in the previous December. This increase was mainly in respect of current deposits, which rose by £A23,000,000 to £A55,000,000 in December, 1940, as compared with December, 1939. The huge amount of deposits with the trading banks, in addition to those lodged with the Commonwealth and State Savings Banks, gave great liquidity to the banking structure and illustrated the ready availability of private funds. The building up of these deposits was due partly to the receipts from the rapid appraisement and payment for wool and other primary products, and also to the expenditure of large sums on the manufacture of munitions and other supplies. These special factors sustained a high level of public purchasing power, notwithstanding the poor wheat yield and the adverse conditions experienced by the pastoral industry throughout the greater part of the year.

These conditions cannot continue indefinitely. The continued loss of shipping will increase the difficulty of procuring space for the main export products. Wool stocks will accumulate in stores, notwithstanding the arrangement to place a reserve of 250,000,000 pounds in the United States. Wheat will not present the same difficulty, as the 1940-41 season's harvest was exceptionally small; also, with the erection of more silos at main wheat ports and country centres, storage for bulk wheat will become considerably augmented. Frozen meat and butter were regularly shipped during 1940, but shortage of refrigerated cargo space will make it necessary to refuse some grades of meat and to build additional cool stores. If stocks continue to accumulate, the difficulty will be to provide sufficient refrigerated space to preserve them until the shipping position improves.

#### EXTERNAL TRADE

Exports from the Commonwealth (excluding bullion and specie) for the year ended June 30, 1940, were valued at £A145,589,000 as compared with £A121,533,000 for the previous year. Imports were also higher at £A144,921,000 as against £A124,390,000, the favourable balance of trade being £A668,000 against an unfavourable balance of £A2,857,000 for the previous period. Exports were affected by the loss of European markets and Australia depended more than ever upon the United Kingdom for the sale of primary products, but Great Britain cannot indefinitely absorb Australia's entire production of exportable foodstuffs. The import figures for the first six months of 1940-41 as compared with the same period in 1939-40 showed a general increase for most commodities, except petroleum (decrease of approximately 10 per cent), certain types of machinery, pipes and tubes, sodium salts, and ships (including fittings).

[A detailed report on Australia's overseas trade in 1939-40 appeared in *Commercial Intelligence Journal* No. 1925, December 21, 1940.]

In December, 1940, the favourable commodity balance of trade amounted to £A662,500 as compared with £A5,410,000 in December, 1939. The restrictions and prohibitions imposed in order to conserve dollar exchange should lessen imports of non-essential goods and extend the range of goods and materials, supplies of which are becoming short.

#### STATE FINANCES

The end of the fiscal year on June 30, 1940, found all states with small surpluses or very small deficits, except New South Wales, which had a deficit of £A2,300,000. The states benefited from the Commonwealth's war program in a number of ways. Private incomes rose so that tax revenue was buoyant; railway revenue (the railways are invariably the chief cause of deficits) was higher because of the increased traffic; and the need for expenditure on unemployment relief steadily fell.



### PRICES

The wholesale price index number for August, 1940, published by the Commonwealth Statistician, showed an increase of 16 per cent since August, 1939, the increase being greatest in import items. The sectional price index for "goods principally imported" rose over the same period by 27 per cent and that for "goods principally home-produced" by only 11 per cent. Even the latter movement was due largely to the rise in export prices. Oversea influences, rather than Australia's internal financial policy, dominated these price movements.

### GOLD PRODUCTION

Production of gold in Australia during the eleven months ended November, 1940, was 1,514,754 fine ounces, an increase of 23,148 fine ounces when compared with the production during the same period in 1939. The production of gold in Australia declined without interruption from a maximum output of 3,898,000 fine ounces in 1903 to 427,000 fine ounces in 1929. In 1930, due mainly to an increase in Western Australia, the output rose to 468,000 fine ounces. Following the heavy depreciation of Australian currency in terms of gold, which occurred in 1930 and 1931, the production of gold began an upward trend and at the end of 1940 still continued to expand.

### BANK CLEARINGS

The gradual expansion in bank clearings, noticeable since 1931, continued during 1940 and, as the year closed, most capital city figures were far above the recognized base years of 1927 to 1929.

### MIGRATION

During the year ended December, 38,603 persons arrived from overseas and 25,203 departed, thus showing an excess of 13,400 arrivals (5,298 males and 8,102 females). This number was 491 less than for the year 1939 when the excess of arrivals was 13,891. Net migration figures for the three previous years are: 1936, 1,497 persons; 1937, 5,203; 1938, 9,137 persons.

### PRIMARY PRODUCTION

*Wool.*—Australia experienced rather a favourable 1939-40 wool season. The purchase of the entire wool clip of Australia by the British Government, for the duration of the war and one year thereafter, ensured security and stability to growers. The contract, which was arranged at the outbreak of war by the Commonwealth Authorities, may be considered satisfactory. The 3,604,316 bales sold for the season 1939-40 constituted a record and realized £A64,620,000 as compared with £A42,541,000 received from the sale of 3,222,502 bales for the year 1938-39.

Owing to seasonal conditions, the 1940-41 wool clip is expected to be somewhat smaller. While it is anticipated that the clip as a whole will be reduced in volume and poorer in quality, there is evidence that in certain localized areas both quality and quantity show improvement as compared with 1939-40.

Shipments of wool to United Kingdom ports decreased in volume and were confined to merino types. The commercial demand from the United States continued active, these orders receiving priority in shipment over wools for strategic storage in the United States.

The Central Wool Committee, in making provision for the storage of large quantities of wool in Australia, arranged for storage accommodation by the erection of temporary storage sheds which, at the end of 1940, had a capacity of 1,330,000 bales, with additional storage sheds in course of erection in the main appraisement centres.

The following table shows the wool (both greasy and scoured) appraised for the season 1939-40:—

State	Bales	Fadges	Sacks	Weights Pounds	Appraised Value £ Australian	Average Value per Lb. Greasy Pence
Queensland and New South Wales.. . . . .	2,084,515	6,620	31,355	646,437,596	34,776,844	12.3
Victoria.. . . . .	849,366	369	23,873	253,298,993	14,492,121	13.2
South Australia.. . . . .	381,055	38	207	116,591,840	5,550,543	11.0
West Australia.. . . . .	241,548	585	40,995	77,403,645	3,886,940	11.79
Tasmania.. . . . .	64,611	40	16,326	18,333,373	1,135,831	14.46
Commonwealth. . . . .	3,621,095	7,652	112,756	1,112,065,447	59,842,279	12.4028

*Wheat.*—Favourable seasonal conditions were responsible for the very considerable increase in wheat production experienced throughout Australia during the season 1939-40. Production in each state, except Tasmania and Australian Capital Territory, was well above the average taken over a ten-year period ended 1940. The total Australian production reached 210,283,000 bushels, in spite of a decrease for the season of approximately 1,070,000 acres in the area sown to grain.

Unfavourable weather conditions, on the other hand, caused estimates by official authorities in the various states to indicate that production of wheat for the season 1940-41 would be approximately 83,900,000 bushels or the smallest Australian wheat crop since 1919-20, when 46,000,000 bushels were harvested. It would also be the first occasion since that year that the total harvest for the Commonwealth had fallen below 100,000,000 bushels. The area sown to grain throughout Australia for the 1940-41 season was estimated at 12,384,000 acres.

As from November, 1939, all wheat produced in Australia was acquired by the Commonwealth Government and the price to be paid to growers was fixed by the Australian Wheat Board. The weighted average of shippers' limits for growers bagged and bulk lots f.o.r. ports was 29.37d per bushel during 1939. A similar average for 1940 was 47.50d per bushel. The value of wheat and flour exported from Australia during the twelve months ended June 30, 1940, was £A12,789,000, which, though nearly equal to the figure for the previous year, was about half the value recorded for each of 1936-37 and 1937-38.

*Dairy Produce.*—Australia in 1939-40 enjoyed a favourable dairying season and the total production of butter for Australia at 4,075,039 cwt. was a record. Output in the previous season was 3,895,666 cwt. Sales of surplus butter to Great Britain at attractive prices, combined with a fixed price of 158s. 8d. per cwt. for local consumption, provided dairy farmers with a satisfactory return for their labour. Shipments to Great Britain presented practically no difficulty, but, because of the acute shortage of tonnage, delays in shipping may be expected in the future. To meet such a contingency, steps have been taken to provide additional cold storage accommodation. The contract for the sale of surplus butter to Great Britain for the 1940-41 season was renewed on the same scale of prices as for 1939-40.

Butter production of the various states in 1939-40 and 1938-39 is shown in the following table:—

	1938-39 Cwt.	1939-40 Cwt.
Queensland.. . . . .	1,378,371	1,248,185
New South Wales.. . . . .	1,016,435	1,000,177
Victoria.. . . . .	1,132,218	1,444,050
South Australia . . . . .	156,729	175,694
Western Australia.. . . . .	130,846	124,921
Tasmania.. . . . .	81,066	82,128
Commonwealth.. . . . .	3,895,665	4,075,155

During the years 1935 to 1940 the production of cheese in Australia increased by about 83 per cent. Victoria and South Australia, in particular, contributed to this expansion, but increases were also recorded in other states, except New South Wales.

The output of the two principal cheese-producing states, Victoria and South Australia, for the last three years was as follows:—

	1937-38 Cwt.	1938-39 Cwt.	1939-40 Cwt.
Victoria.. . . .	143,000	174,000	216,000
South Australia.. . . .	139,000	165,000	186,000

*Eggs.*—At the meeting of the Australian Agricultural Council held in August, 1940, plans for the development of the poultry industry were included among its recommendations. This expansion was to be directed towards the wheat-growing areas as a means of diversifying the wheat industry and, in addition, to stimulate production of eggs for export to the United Kingdom to replace supplies previously obtained from Europe. Owing to war conditions, no figures relating to exports have been made available.

*Meat.*—Total exports of meat for the year were the highest on record. Good winter rains in 1939 ensured a good lamb export season throughout. A record total of 5,659,110 carcasses was exported and quality gradings and the average weight were also at higher levels than ever before. Pig meat exports were the highest ever recorded, the advance being made principally in baconers. Notable increases were made in South Australia and Western Australia.

The following table gives the values of the various classes of meat exported from the Commonwealth during the years ended June 30, 1939 and 1940:—

*Value of Australian Meat Exports*

	1938-39 Value in Pounds	1939-40 Pounds Australian	Inc. or Dec.
Beef and veal.. . . .	4,323,680	4,821,175	+ 497,495
Lamb.. . . .	4,393,773	5,354,089	+ 960,316
Mutton.. . . .	413,693	727,601	+ 313,908
Pork.. . . .	882,117	1,560,896	+ 678,779
Bacon and hams.. . . .	119,994	272,243	+ 152,249
Canned meats.. . . .	501,391	918,565	+ 417,174
Edible offals.. . . .	446,011	661,971	+ 215,960
Total .. . . .	11,080,659	14,316,540	+ 3,235,881

In reviewing the 1939-40 mutton and lamb export season as a whole, the most outstanding feature was the marked influence of seasonal conditions on the output of lambs in the various states. These led to a marked increase in the general average percentage of first-quality lambs and an equally marked increase in the average weights. This increase, although mainly due to favourable seasonal conditions in the eastern states, was also a result of the scheduled prices paid per pound by the British Ministry of Food being definitely in favour of the medium- and heavy-weight carcass.

*Petrol.*—Australia's first petrol produced on a commercial scale was distilled at Glen Davis, New South Wales, from crude oil from Newnes shale on August 26, 1940. The first year's operations are expected to produce 10,000,000 gallons. The deposits are claimed to be among the richest in the world, yielding more than 100 gallons of oil to the ton as compared with 25 gallons per ton yield from shale being worked in Scotland. The plant's 108 retorts will use nearly 500 tons of shale per day, producing 58,000 gallons of crude oil which will be turned into about 35,000 gallons of petrol.

*Fruit.*—The 1940 pack of apricots and pears was a record, but canning of peaches fell considerably below the figure of 1939. Early in the season a normal crop of 10 to 12 million bushels of apples and pears was forecast, but a short



and severe period of unprecedented hot weather and high winds in March caused losses of apples in Victoria alone estimated at 500,000 bushels. The effect of these adverse conditions was apparent in the very poor quality of apples available for marketing throughout the year.

On the eve of the 1941 season Britain decided that no further imports of canned fruits would be permitted, as they were not an essential foodstuff. With this outlet cut off, it appeared at one stage that cannerys would be unable to purchase fresh fruit in a quantity satisfactory to growers. The Federal Government, however, announced that it would accept responsibility for up to 800,000 bushels of the surplus, subject to the observance of certain conditions, and cannerys were enabled to take the whole of the fruit offered by growers. Australia normally exports 4,000,000 to 5,000,000 bushels of apples and pears and, although oversea outlets may be found for some fruit, it would appear that the bulk of the fruit will have to be dealt with locally. In this case a substantial quantity of apples may be wasted, as it would not pay to case all excess fruit unless growers were assured of a reasonable return for their outlay.

*Dried Vine Fruits.*—Australia enjoyed in the 1940 season a record crop of dried vine fruits of 95,540 tons as compared with the previous highest record of 91,690 tons in 1938. Sultanas represented 61,988 tons, currants 24,777 tons and leixias 8,685 tons. Sultanas were of particularly good quality and a considerable portion of the pack was of the higher grades.

Exports were of good volume, and the carryover was small, considering the conditions that obtained overseas during the year. Sales to the British Government approximated 51,000 tons, and orders from Canada and New Zealand exceeded shipments in any one season to those markets. Prices realized in the export markets were satisfactory, although below those of 1939.

### GOLD PRODUCTION

The gold production of 1,645,697 fine ounces during the year 1939 was greater than that for any year since 1916, when the output was 1,665,816 fine ounces. Although production increased nearly fourfold between the years 1929 and 1939, the output during the latter year was only 42 per cent of the maximum of 3,898,000 fine ounces recorded in 1903.

Gold production during the last five years has been as follows: 1936, 1,178,581 fine ounces; 1937, 1,381,135; 1938, 1,592,034; 1939, 1,645,697; January to November, 1940, 1,514,754 fine ounces. The latter figure exceeds the comparable figure for each of the previous four years, comparing with 1,491,606 fine ounces for the first eleven months of 1939.

Despite fluctuations since September 21, 1931, when Britain left the gold standard, the price of gold continued to rise and on August 28, 1939, had reached £A9 18s. 9d. per fine ounce. Following the outbreak of war, the price of gold was fixed at £8 8s. sterling per fine ounce in London on September 5, 1939, which was equal to £A10 11s. per fine ounce.

### AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, April 24, 1941.—To ensure closer supervision of the wheat stabilization scheme recently adopted in Australia, local committees will be established in all wheat-growing districts. These committees will consist of nominees of wheat-growers' associations and one representative of an appropriate State Government Department. Problems to be considered by the committees will relate to special applications for registration of properties as wheat farms despite the fact that they do not comply with the requirement that wheat should

have been grown on them during any one of the last three years. The exaggeration in acreage on applications also demands attention, since many farmers have sought licences for sowings considerably greater than normal acreage.

#### CROP PROSPECTS FOR 1940-41

Consideration is now being given by the Australian Wheat Board to preparations for handling next season's harvest. Expectations are that the yield will be large and that shipping will be severely restricted, creating a serious storage problem. The difficulty would be accentuated by labour shortage, both on the farms and at country stations.

Estimates made by official authorities in the various states indicate that the production of wheat in Australia for the season 1940-41 will be approximately 83,848,000 bushels as compared with 210,283,000 in 1939-40.

Approximate export prices f.o.r. ports during the month of February in the years 1935 to 1941 were as follows: 1935, 34·12d.; 1936, 42·29d.; 1937, 60·28d.; 1938, 51·51d.; 1939, 29·05d.; 1940, 46·50d.; 1941, 47·75d.

Prospects for the sowing of the 1941-42 crop are generally favourable, although rain is badly needed in the Northern Mallee (Victoria) and also in Western Australia.

### ECONOMIC CONDITIONS DURING 1940 IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ACTING TRADE COMMISSIONER

Port of Spain, May 2, 1941.—This territory's economic well-being is dependent directly on the sale of its principal agricultural products, of which by far the most important is sugar. The prompt action, therefore, of the British Government at the outset of the war in purchasing the entire outputs of sugar, cotton and, within quota limits, cocoa, gave a steady tone to economic conditions in these colonies throughout 1940.

A prolonged drought extending from 1939 into 1940 seriously reduced the production of sugar during the latter year, although this loss was offset to a considerable degree by an increase in cocoa exports and record productions of petroleum and bauxite.

#### Trinidad

Trinidad, with its oil industry, is the wealthiest and most industrialized colony in this territory, but the majority of its inhabitants are still dependent on the sugar, cocoa and citrus crops for a livelihood. During 1940 the great activity in the oilfields served to minimize the depressing effects of the lowest sugar output since 1930, production figures reaching only 92,200 tons as compared with 128,524 tons in the previous year. The 24,800,000 pounds of cocoa produced was slightly more than 50 per cent of the production of 1938 but was a decided improvement over the 1939 production of 16,750,000 pounds. However, the Colony's most recently developed agricultural activity—citrus fruit production—broke all previous records with exports for the season of 148,935 crates of grapefruit (24,826 crates in 1938-39) and 3,920 crates of oranges in addition to the disposal of 78,000 crates of grapefruit to the Trinidad market and canning plant.

Bank clearings, which varied between four and five million dollars per month, were on the average about \$450,000 per month higher than in the previous year.

Railway receipts for freight and passenger traffic amounted to \$881,087 as compared with \$811,902 in 1939. Particularly gratifying was the 26 per cent

increase in passenger traffic in 1940, due in a measure to the additional and improved facilities provided by new passenger coaches imported from Canada in 1939.

### FOREIGN TRADE

The Colony's trade statistics are no longer available for publication, but there was a sharp increase in the total trade, with both exports and imports showing a marked upward movement. The full effect of the Colony's policy of restricting imports from non-sterling countries and the stoppage of imports from European sources of supply was reflected in increased imports from Canada during 1940. Indeed, one of the main features of the year was the readjustment of trade to new sources of supply.

### IMPORT RESTRICTIONS

Towards the close of the year there was an increasing tendency on the part of import control authorities to restrict imports from Canada in order to conserve non-sterling exchange. This appeared first in the form of the restriction of non-essential paper products and of quotas on essential paper products such as wrapping paper and bags. Later, quotas were extended to foodstuffs on the general principle that wherever quotas were placed on imports from the United Kingdom, similar quotas were placed on imports from Canada. At time of writing the quotas on foodstuffs have been adjusted to cover non-essential foodstuffs and should not interfere unduly with the normal trade development.

### BETTERMENT OF INDUSTRIES

A number of improvements were carried out in the Colony during the past year. The erection of a modern factory on one of the large sugar estates increased the sugar-manufacturing capacity of the Colony to about 180,000 tons as compared with a peak production of 154,000 tons in former years.

A rehabilitation scheme for the cocoa industry, costing about \$4,000,000 over the next ten years, was announced by the Government in place of the present subsidy of a little over \$400,000 per year. Low world prices for cocoa since 1923 have placed this industry in an unsound financial position. The new scheme is designed to restrict production to 100,000 to 120,000 acres of the most suitable land as compared with 185,000 acres now under cultivation, in order to reduce the inroads of plant disease and permit a better selection of plants.

One of the most satisfactory developments in the oil industry was an agreement between employers and workers to maintain industrial peace for the duration of the war. Wages were fixed and a war bonus allowed on a sliding scale, based on the Government's cost-of-living index.

According to this index, which is adjusted to represent the requirements of a working man's family, the cost of living in Trinidad has risen by 25 per cent since the beginning of the war.

Although not undertaken on the pre-war scale originally contemplated, some 750 workmen's cottages were under construction for completion in the early part of 1941.

### BUDGET SURPLUS

Trinidad Government finances, despite large gifts and loans to the Imperial Government, showed an estimated surplus of \$1,000,000 for 1940, due to an unexpected rise in customs and excise revenue. Of this amount, \$500,000 was applied to war purposes and the remainder to the surplus balance. A vote of \$2,750,000 from the surplus balance was recommended for local undertakings, of which \$500,000 was allocated to workmen's cottages, \$60,000 to aerodromes, \$219,500 to improvements in the water supply, \$1,000,000 to hospital improve-



ments, \$125,000 to educational and public buildings, and \$500,000 for drainage and town development schemes. This left about \$1,000,000 in the surplus balance. For 1941 it was proposed to allow \$1,250,000 to naval and military services, this sum to be realized from an emergency excess profit tax on local companies.

#### PROSPECTS FOR 1941

Continued dry weather in 1940 does not encourage the expectation of any notable increases in agricultural exports during 1941. There is also the uncertainty of shipping space, which must be taken into consideration in respect of both exports and imports.

A positive factor indicative of better conditions in Trinidad, not only for 1941 but for some years to come, is the construction of the United States naval and army bases. At present the housing capacity of the Colony is taxed to capacity to accommodate personnel connected with this work, and all available labour is being used.

### Barbados

#### FOREIGN TRADE

The main source of income in Barbados is derived from the production of sugar and its by-products, molasses and rum. Unfortunately the long drought of 1939 reduced the sugar crop in 1940 to 97,224 tons as compared with the record crop of 156,443 tons of the previous year. As might be expected under such conditions, total trade in 1940 declined in value to £3,984,813 as compared with £4,474,744 in 1939, exports being valued at £1,682,036 (£2,028,991 in 1939) and imports at £2,302,777 (£2,445,753).

Canada continued to be the Colony's best export market, purchasing 60·6 per cent of the total exports as compared with 48·3 per cent in the previous year. The United Kingdom was credited with 26·2 per cent (38·1 per cent in 1939). Other British Empire countries accounted for 7·2 per cent and the United States for 5·5 per cent as compared with 8·8 per cent and 3·6 per cent respectively in 1939.

Despite the decline in total import trade, Canada's share of the import trade rose to 25·4 per cent from 17·6 per cent in the previous year. As imports from the United Kingdom remained about the same at 35·6 per cent of the total imports, it is apparent that increased imports from Canada were the result of a stoppage of imports from European countries and the restriction of imports from non-sterling countries.

#### REVENUE AND EXPENDITURE

The estimated revenue for Barbados during the financial year 1940-41 was £645,395, which, added to a surplus at the end of March, 1940, yielded a total of £818,949. Total estimated expenditures were £848,207, leaving a deficit of £29,258 for the fiscal year. As a further deficit is anticipated for the fiscal year 1941-42, a general increase in tariffs and other sources of revenue has become necessary.

#### PROSPECTS FOR 1941

At time of writing it is estimated that the 1941 sugar crop will not exceed 100,000 tons, including molasses.

It is hoped that with the construction of United States naval bases in the British West Indies there will be a revival in the Barbados tourist trade, which since the war began has disappeared. It is not likely, however, that this will reach noteworthy proportions during 1941.

## British Guiana

### FOREIGN TRADE

No other colony in this territory is more dependent on an adequate rainfall for its economic welfare than British Guiana. The prolonged drought through 1939-40 reduced sugar exports in the latter year to 142,707 tons (\$7,129,806) as compared with 179,103 tons (\$8,134,170) in 1939. The spring rice crop failed and, with the autumn crop below expectations, exports for 1940 amounted to only 11,676 tons (\$708,063) or slightly less than the previous year's crop of 12,503 tons (\$582,546), to the embarrassment of nearby West Indian colonies which were depending on the British Guiana rice supply.

Gold and diamond operations were interfered with through lack of water supply so that exports of gold for the year were only 33,058 ounces (\$1,036,249) and those of diamonds 17,559 carats (\$269,446) in comparison with the previous year's exports of 38,473 ounces (\$1,060,616) and 33,351 carats (\$424,860) respectively.

On the other hand there was a record production of bauxite, but export figures will not be published for the duration of the war.

The lumber and timber industry, which is the only other activity of importance in the Colony, showed a slight recession from 1939 export levels, due in large part to water shortage in the upper reaches of the rivers. Hewn timber exports amounted to 278,835 cubic feet (\$168,237) and those of sawn timber to 55,886 cubic feet (\$53,658) as compared with 272,566 cubic feet (\$147,021) and 84,739 cubic feet (\$72,223) respectively in 1939.

Imports in 1940 amounted in value to \$14,337,342 as compared with \$10,807,506 in 1939, but no details are available as to values of imports by sources of supply. However, there was considerable trade diversion to Canada during the year.

### REVENUE AND EXPENDITURE

Government revenue for the fiscal year 1939-40 was estimated at \$6,715,700 and expenditure at \$7,114,000, resulting in a deficit of \$399,000. While this deficit is being met from the Colony's surplus balance of \$775,600 from the previous year, an anticipated deficit in 1941 of approximately \$427,000 has caused the Government to introduce an excess profits tax to meet it. The Government has announced a general policy of concentrating its limited resources on the maintenance of drainage and irrigation, in order to maintain and, if possible, improve the production of the Colony's commercial crops.

### PROSPECTS FOR 1941

Although an increased acreage in both sugar and rice crops has been brought under cultivation, the continued low rainfall offers little prospect for any marked improvement in the Colony's exports of these products during 1941.

Similarly, although a new 50-ton mill has increased the volume of gold production capacity, the question of adequate water supply renders production uncertain.

Some assurance of increased opportunities for local labour is found in the initial construction activities of a United States army air base and the anticipated construction of a United States naval base.

## CURRENT SITUATION IN CUBAN DRIED FISH MARKET

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, May 23, 1941.—After a short period during which there were no offers of codfish from any source, offers have now been received for new catch Canadian cod and demand is brisk at good prices.

### HAVANA MARKET

It is reported that \$11.50 and \$12 are being quoted for new catch large and Imperials, respectively. A sale of 500 bales was closed recently at these prices and it is expected that prices can be maintained at this level without difficulty. There are, to our knowledge, no offers from any source other than Canada.

Due to the shortage of fish just before the new catch came on the market, one of the leading local importers is said to have made a trial with Newfoundland medium-sized cod in 128-pound drums in the hope that these would be acceptable due to the shortage of supplies. Only a small lot was brought in and it was probably obtained on the Santiago de Cuba market, as the importer claims that it came out at \$14 c.i.f. Havana. This lot is reported to be largely unsold and the importer expects to take a heavy loss as the price of \$14 is completely out of line with present quotations for better-quality Canadian baled fish. It is most unlikely that this experiment will be repeated as the fish was far below the standard of this market and would not be acceptable except under most exceptional circumstances.

It is reported that small lots of Maine bloaters have been sold lately at \$1.10 c.i.f. for boxes of 60-70 tails. No information has been received of any offers from Canada for this type of fish.

### SANTIAGO DE CUBA

New catch Canadian cod is reported to be offered in this market at \$11.50 and \$12 c.i.f. for small and medium, respectively, per drum of 128 pounds. The demand is said to be fairly brisk and agents expect to dispose of all their allotments.

## MARKET CONDITIONS FOR DRIED FISH AND BLOATERS IN THE DOMINICAN REPUBLIC

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Havana, May 23, 1941.—The general situation in the Dominican Republic is somewhat better than it has been due to a more favourable price outlook for sugar as well as to better prices for the cocoa crop, which is now being offered on the market. These improved prospects are expected to cause an increase in the demand for various kinds of dried and smoked fish and to make it easier for the market to absorb recent price increases.

### SALT FISH

The Newfoundland Fisheries Board increased their prices for Labrador semi-dried cod in April to \$11 c.i.f. Ciudad Trujillo, and it is reported that this price has been maintained for the present month. It is felt in the trade that this is a high price for the quality of fish involved and fears are expressed that consumption will be considerably reduced. It is estimated that sales during Holy Week this year were approximately one-third lower than in previous years, and it is understood that at the price quoted Labrador fish is at present selling rather slowly.



There is no business being done in pollock as this market will not pay the high prices obtainable in Puerto Rico. This statement also applies to haddock, but one small lot of this variety from Canada is said to have been sold recently at \$10.50 c.i.f. There has been a small volume of business in hake but there is little of this fish offered and the price has remained steady at \$10.

#### BLOATERS

The demand for bloaters up to the beginning of the present month had been rather slow, with Canadian bloaters 90-110 selling between 95 and 98 cents c.i.f. Importers seem hopeful that the demand will improve somewhat as a result of the marketing of the cocoa crop at relatively good prices.

### COLOMBIA'S FOREIGN TRADE IN 1939

A. K. DOULL, ACTING TRADE COMMISSIONER

[Lateness of this report is due to late publication date of detailed Colombian trade figures.—Ed.]

(175 pesos equal approximately U.S.\$100.)

Panama City, May 15, 1941.—Colombia's total foreign trade in 1939 was valued at 319,913,844 pesos as compared with 303,705,224 pesos in 1938, an increase of 16,208,620 pesos. Exports were valued at 136,471,358 pesos as against 144,446,396 pesos, a decrease of 7,975,038 pesos; imports at 183,442,486 pesos as against 159,258,828 pesos, showed an increase of 24,183,658 pesos. Colombia had thus an unfavourable balance of trade during 1939 amounting to 46,971,128 pesos as compared with an excess of imports during 1938 valued at 14,812,432 pesos.

#### EXPORTS TO PRINCIPAL COUNTRIES

The United States, as usual, was the leading purchaser of Colombia's exports during 1939. Shipments to that country were valued at 77,815,636 pesos as against 76,344,652 pesos in 1938, an increase of 1,470,984 pesos. Over 90 per cent of these exports were coffee. Germany was the second largest purchaser from Colombia, taking goods valued at 12,988,752 pesos as against 21,074,049 pesos in 1938, a heavy decrease of 8,085,297 pesos. This large decrease was due to Britain's blockade of shipments to Germany after the declaration of war in September.

Canada was easily third in importance among buyers of Colombia's products and was not far behind Germany in value of merchandise bought. Exports from Colombia to Canada during 1939 were valued at 12,471,805 pesos as against 14,176,126 pesos in 1938, a decrease of 1,704,321 pesos. Approximately 60 per cent of these exports was crude oil, the remainder being chiefly coffee.

France was next in importance, exports to that country being valued at 5,529,181 pesos as against 6,714,135 pesos, a decrease of 1,174,954 pesos. The Netherlands ranked fifth in Colombia's list of export markets, shipments thereto being valued at 3,490,041 pesos as compared with 1,790,895 pesos in 1938, an increase of 1,699,146 pesos. Exports to the United Kingdom were valued at 2,470,075 pesos as against 722,852 pesos, an increase of 1,747,223 pesos. Exports to Italy showed an increase during the year of 412,006 pesos and were valued at 2,330,508 pesos as against 1,918,502 pesos. (Italy was still neutral during this period.) Exports to all other countries were valued at less than 1,000,000 pesos for each country. The other largest purchasing countries were Sweden (846,855 pesos), Belgo-Luxemburg Economic Union (735,117 pesos), Denmark (409,997 pesos), Czechoslovakia (262,011 pesos), and Switzerland (112,396 pesos).

#### PRINCIPAL PRODUCTS EXPORTED

Coffee, petroleum, bananas and hides were Colombia's main export items and made up approximately 95 per cent of the total value of exports.

Exports of coffee during 1939 were valued at 87,124,693 pesos as against 88,775,000 pesos in 1938. Largest buyers of Colombia's coffee were the United States (72,141,532 pesos), Germany (7,216,577 pesos), Canada (4,497,622 pesos), Sweden (760,589 pesos), Italy (661,999 pesos), the Netherlands (610,789 pesos), and Denmark (403,882 pesos).

Petroleum exports were valued at 31,902,996 pesos and showed a decrease of approximately 15 per cent as against the 1938 figure. The largest purchasers of petroleum products from Colombia were Curacao (14,137,553 pesos), Canada (7,957,699 pesos), France (5,309,354 pesos), the United States (1,802,534 pesos), and Italy (1,685,073 pesos).

Banana exports were valued at 8,678,583 pesos, a decrease of approximately 1 per cent as compared with the 1938 figure. Largest purchasers of bananas were the Netherlands (2,452,189 pesos), the United States (2,348,781 pesos), the United Kingdom (2,217,533 pesos), and Germany (1,339,637 pesos).

Cattle hides were exported to a value of 3,646,366 pesos as against 3,876,000 pesos in 1938. Germany (2,178,631 pesos) was the largest purchaser of hides from Colombia and was followed by the Belgo-Luxemburg Union (618,967 pesos), Poland (176,906 pesos), the United Kingdom (150,023 pesos), and the United States (104,550 pesos). Other exports, all of comparatively small value, included goat and sheep skins, balata, rubber, divi-divi, leaf tobacco, wheat bran, cotton seed cake and cotton seed flour.

#### IMPORTS BY PRINCIPAL COUNTRIES

Colombia's chief source of supply for imports during 1939 was the United States, from which she purchased goods valued at 99,123,487 pesos as compared with 79,445,074 pesos in 1938, an increase of 19,678,413 pesos. Germany ranked second as a supplier with 23,436,780 pesos as against 27,765,555 pesos in 1938, a decrease of 4,328,775 pesos. Imports from the United Kingdom were valued at 17,374,556 pesos as against 17,679,527 pesos in 1938, a decrease of 304,971 pesos. Imports from France were valued at 5,579,094 pesos as against 5,380,843 pesos in 1938, an increase of 198,251 pesos. In value of imports Canada ranked fifth among suppliers to Colombia, purchases from the Dominion being valued at 4,456,787 pesos as against 2,711,975 pesos in 1938, an increase of 1,744,812 pesos. Other imports of importance came from Italy (4,251,326 pesos), Belgo-Luxemburg Economic Union (3,859,444 pesos), Switzerland (2,627,425 pesos), Sweden (2,443,135 pesos), Czechoslovakia (2,319,136 pesos), Brazil (993,398 pesos), Argentina (877,818 pesos), and Venezuela (872,617 pesos).

#### PRINCIPAL PRODUCTS IMPORTED

Colombia's largest import items from a value standpoint were cotton fabrics, automobiles, iron and steel products, machinery, and raw cotton. Imports of dyed cotton fabrics were valued at 6,905,197 pesos. Approximately 50 per cent of these fabrics came from the United Kingdom, the United States and Germany being the next largest suppliers. Italy, Switzerland and Czechoslovakia also shared in the market. Imports of cotton prints were valued at 2,485,409 pesos and of bleached cotton fabrics at 1,561,387 pesos. The former was chiefly supplied by the United States, while Germany supplied the largest share of the latter.

Imports of automobiles, practically all from the United States, were valued at 6,430,612 pesos. Imports of trucks were valued at 2,932,193 pesos, almost all coming from the United States, although a few were supplied by Germany. Imports of chassis for cars and trucks totalled 2,863,025 pesos and came chiefly from the United States. Imports of iron and steel piping were valued at 4,170,340 pesos, of which those from the United States were valued at 2,813,333 pesos, from Germany at 915,037 pesos, and from Poland at 120,863 pesos. Imports of

galvanized iron roofing were valued at 2,107,842 pesos, practically all from the United States. Iron and steel plates, bars, rods, etc., were imported to a value of 2,206,483 pesos, chiefly from the United States and Germany. Imports of "machinery not otherwise specified" were valued at 3,681,991 pesos, and came chiefly from the United States. Machinery specially mentioned included weaving (2,769,311 pesos), and oil well (1,489,201 pesos), mostly from the United States.

Imports of sewing machines were valued at 926,423 pesos, of which those from the United States were valued at 475,236 pesos, from Germany at 334,888 pesos and from Canada at 102,704 pesos. Imports of typewriters were valued at 813,852 pesos, chiefly from the United States and Germany. Imports of electric refrigerators were valued at 1,200,932 pesos, almost entirely from the United States.

Raw cotton imports were valued at 2,805,788 pesos, over 97 per cent coming from the United States and Brazil supplying the remainder.

Imports of wheat were valued at 2,227,201 pesos; over 70 per cent of these shipments came from Canada, the remainder being supplied by the United States. Imports of rice were valued at 2,167,047 pesos, of which those from French Indo-China were valued at 1,332,540 pesos and the remainder principally from British India and Ecuador.

Other imports of importance were radios and equipment (1,404,267 pesos), chiefly from the United States, the Netherlands and Germany; lubricating oil (1,000,369 pesos), chiefly from the United States; medical supplies (1,734,065 pesos) chiefly from Germany and the United States; woollen yarns (1,509,059 pesos), chiefly from Germany and the United Kingdom; silk yarns (1,671,244 pesos), chiefly from France, the United States and Italy; sewing cotton (1,495,898 pesos), chiefly from the United Kingdom and France; lard (2,305,468 pesos), chiefly from the United States; artificial silk stockings (1,093,929 pesos), chiefly from the United States; wrapping paper (1,294,463 pesos), chiefly from the United States, Sweden and Canada; felt hats (1,022,921 pesos), chiefly from Italy, Germany and the United Kingdom; and whisky (1,034,689 pesos), chiefly from the United Kingdom.

#### COLOMBIA'S TRADE WITH CANADA

Colombia's total trade with Canada during 1939 was valued at 16,928,592 pesos as compared with 16,888,101 pesos in 1938, an increase of 40,491 pesos. Exports to Canada were valued at 12,471,805 pesos as against 14,176,126 pesos, a decrease of 1,704,321 pesos; imports from Canada were valued at 4,456,787 pesos as compared with 2,711,975 pesos, an increase of 1,744,812.

Colombia has always enjoyed a favourable trade balance with Canada and 1939 was no exception, although this favourable trade balance was reduced from 11,464,151 pesos in 1938 to 8,015,018 pesos. Colombia's favourable trade balance ratio is still nearly 3 to 1; in 1938 it was approximately 7 to 1. In fact during 1939 Canada was practically the only country trading with Colombia to show an unfavourable trade balance and, while one or two others had small unfavourable balances, Canada's unfavourable balance was by far the largest. This is more noteworthy when it is realized that Canada was Colombia's third largest export market during 1939 and fifth largest during 1938. Only the United States and Germany bought more goods from Colombia in 1939 than did Canada, and Germany was in second place over Canada by a narrow margin.

#### EXPORTS TO CANADA

Petroleum and coffee are practically the only commodities exported to Canada from Colombia, the value of exports of these two products amounting to 12,455,321 pesos out of total exports to Canada valued at 12,471,805 pesos. Petroleum shipments to Canada were valued at 7,957,699 pesos and those of coffee at 4,497,622 pesos.



## IMPORTS FROM CANADA

Following is a summary of Colombia's total trade with Canada during the years 1939 and 1938:—

	1939 Pesos	1938 Pesos
Exports to Canada .. . . .	12,471,805	14,176,126
Imports from Canada .. . . .	4,456,787	2,711,975
Total trade .. . . .	16,928,592	16,888,101
Excess of imports .. . . .	8,014,218	11,464,151

Colombia's chief imports from Canada during 1939 were wheat, rubber tires, wrapping paper, agricultural implements, evaporated milk, canned fish, iron and steel pipe, and newsprint. Imports of wheat were valued at 1,638,614 pesos and Canada was the largest supplier of this product to Colombia. Purchases of rubber tires from Canada were valued at 942,738 pesos.

Imports of wrapping paper were valued at 209,074 pesos, while newsprint imports totalled 40,767 pesos and wallpaper 3,026 pesos. Imports of agricultural implements from Canada included ploughs, seeders and hay-making machinery to a value of 96,722 pesos. Imports of canned fish, chiefly British Columbia salmon and Nova Scotia sardines, were valued at 73,939 pesos. Imports of iron and steel piping were valued at 80,456 pesos, while those of fittings were valued at 91,683 pesos.

The value of imports of trucks was 91,012 pesos; of calcium carbide, 26,199 pesos; paints, 27,266 pesos; canvas shoes, 78,379 pesos; rubberized cotton clothing, 66,449 pesos; lamps, 26,645 pesos; copper cables, 25,867 pesos; aluminium wire, 49,339 pesos; electrical equipment, 40,090 pesos; and rolled oats, 51,597 pesos. Other products imported from Canada included tanned leather, steel pigs and sheets, aluminium foils, gin, whisky, patent medicines, paints, asbestos, ropes, rubber shoes, cotton underwear, cardboard, wire netting, lamps and copper wire and cables.

## BRAZILIAN MARKET FOR WHITE ARSENIC

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, May 6, 1941.—Prior to 1936, imports of white arsenic were not shown separately in Brazilian statistics, but were included under the non-specified classification. However, 560 tons were imported in 1936, 1,538 tons in 1937, 385 tons in 1938, 711 tons in 1939, and 541 tons in 1940. Sweden supplied about 50 per cent of the Brazilian requirements, other suppliers, in order of importance, being Germany, Japan and Luxemburg.

White arsenic ( $As_2O_3$ ) from Sweden, which must be 99 per cent plus pure, is usually packed in tin-lined cases of 50 and 100 kilos (of 2.2 pounds) net. Since the outbreak of war in Europe, supplies have been difficult to obtain from Sweden, and Japan is now Brazil's most important source of supply. Japanese arsenic is shipped in tin-lined cases containing 112 pounds and is offered at 398 yen per ton of 2,240 pounds c.i.f. Rio de Janeiro, terms of payment being cash against documents, including a commission of 5 per cent for the local agent. This price works out at approximately 4 cents per pound c.i.f. Rio de Janeiro. Converted into milreis, this is approximately 3.2 milreis per kilo, slightly higher than the cost of locally produced arsenic, which is sold at 3 milreis per kilo. If possible, therefore, Canadian exporters should offer at between  $3\frac{1}{2}$  and 4 cents per pound c.i.f. Rio de Janeiro, although 4 cents per pound would be sufficiently low to meet Japanese competition, and some business would undoubtedly develop. Orders are usually for 20 to 50 tons per shipment.

Packing may also be in drums containing 50 to 100 kilos. Should drums be used, however, their construction must be such that their further use or resale will be impossible after they have been opened. This precludes payment of duties on the drums and may be accomplished by welding the lids to the drums.

## TRADING WITH THE ENEMY

### CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent Germany and Italy from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be avoided. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many Italian and German subjects carry on business in neutral countries without assisting Italy or Germany, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

The complete Canadian List, in the form of a Consolidation of the Canadian Lists of Specified Persons, is now obtainable for a price of 10 cents from the Distribution Branch, Department of Public Printing and Stationery, Government Printing Bureau, Ottawa. It contains the names of more than 2,000 persons, principally in Europe, Latin America, Japan and China. The List is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain a copy of the Consolidation of the List and at the same time to arrange to receive revisions as published.

## IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to May 3, 1941:—

	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to May 3, 1941	
			Quantity	Per Cent
Cattle (700 lb. or more) . . . .Head	225,000	3 to 1½c. per lb.	32,926	14.6
Cattle (less than 200 lb.) . . . .Head	100,000	2½ to 1½c. per lb.	49,380	49.3
Whole milk . . . . .Gal.	3,000,000	6½ to 3¼c. per gal.	2,004	....
Cream . . . . .Gal.	1,000,000	56¼ to 28¼c. per gal.	302	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish . . . . .Lb.	15,000,000	2½ to 1½c. per lb.	2,772,965	18.4
Seed potatoes . . . . .Bu.	1,500,000 beginning Sept. 15, 1940	75 to 37½c. per 100 lb.	689,246	45.9
White or Irish potatoes, other than seed potatoes . . . . .Bu.	1,000,000 beginning Sept. 15, 1940	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	88,887	8.8
Red cedar shingles . . . . .Sq.	2,488,359	Free	1,127,673	45.3
Silver or black foxes, furs and articles: *Foxes valued under \$250 each each and whole furs and skins No.	100,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	70,000	Quota Filled
Tails . . . . .Piece	5,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	4,964	99.3

\* The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the agreement.

During the second quarter of 1941, Canada shipped 9,777 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 18.9 per cent of the quarterly quota allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the second quarter of 1941 was filled, and receipts over and above this amount were subject to the full rate of tariff.

Under the classification of silver or black foxes, furs and articles, the quota allotment of 500 pounds of paws, heads and other separate parts was filled; 364 pounds of piece plates were entered, or 66.2 per cent of the quota of 550 pounds; and 34 units of articles other than piece plates, or 6.8 per cent of the quota of 500 units. However, there is no indication in the statement by the Treasury Department that any of the above articles were imported from Canada.



## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### NEW REGULATIONS GOVERNING GIFT SHIPMENTS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, has cabled that the British Ministry of Food issued new regulations to be applied in respect of gifts despatched to the United Kingdom from abroad after June 28, 1941. As formerly bona fide unsolicited gifts to civilians may be received from abroad by parcel post addressed to individuals, but there are new weight limitations.

The revised regulations are as follows:—

The procedure regarding gifts of food sent to the United Kingdom from abroad has been reviewed by the Ministry of Food, and in order to conserve shipping space for more urgent supplies such gifts will be allowed only subject to the following conditions:

Bona fide unsolicited gifts, whether they include rationed foods or not, may be received from abroad by parcel post addressed to individuals.

No parcels may exceed 5 lb. gross weight or contain more than 2 lb. of any one food-stuff. The maximum of 5 lb. will also be applied by the Board of Trade in the case of non-foodstuffs. No permit or licence is required in such cases, and all parcels must be clearly marked as gifts.

A gift cannot be regarded as unsolicited where it has been received as a result of some prior communication sent by the recipient to the donor. Moreover, the receipt of gifts at frequent intervals cannot be permitted.

Licences which have been granted to importers to receive individual gifts in bulk for distribution through the parcel post on arrival in the United Kingdom will not be renewed, or any further licences of this type approved. Existing licences and those recently expired and under consideration for renewal will be held to cover consignments despatched from abroad by June 28.

Where well-wishers abroad desire to send larger quantities of foodstuffs (which must not include rationed foods), they must first arrange for some responsible organization in the United Kingdom, formed for charitable or similar purposes, to be the recipient of such goods. Application for a licence must then be made to the Ministry of Food by the organization, which will be required to give an undertaking that the goods will be consumed within that organization. For example—if the recipient is a hospital, the food would be supplied to patients or members of the staff.

In the case of neither parcels nor larger consignments will it be permitted to send any money out of the United Kingdom in respect of gifts of food.

Attention is drawn to the provision of the Rationing Orders, 1939 (S.R. and O. 1856), under which it is an offence to obtain or attempt to obtain, or to supply or to attempt to supply any rationed food in excess of the ration. It is an offence, therefore, to send abroad for supplies of rationed foods.

These regulations will be applied in respect of all gifts despatched from abroad after June 28.

Rationed foods include butter, cheese, sugar, tea, bacon, ham, margarine, and lard.

The new regulations do not exempt gifts from duty if the goods are of a class normally subject to duty.

The new restrictions will not affect gifts to Canadian soldiers in the United Kingdom, as the Board of Trade advised the concession allowing entry of parcels addressed to Canadian soldiers free from licensing regulations and duty remains.

#### SUSPENSION OF EGG MARKING ORDER

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of May 23 advises that the British Ministry of Food has issued a Direction taking effect immediately suspending the operation of Order No. 5 of 1928 under the Merchandise Marks Act, 1926, in so far as that

order relates to eggs imported into the United Kingdom from the United States and the Dominions.

The order referred to had prohibited the importation of eggs in shell unless bearing an indication of origin marked conspicuously and durably in ink on the shell of each egg in letters not less than 2 millimetres in height.

## Australia

### TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Graphite nozzles and stoppers for use with metal ladles used in connection with the pouring of molten metal, free of duty under British preferential tariff, 15 per cent ad valorem under General Tariff (by-law under item 415A2).

Tool holders (other than lathe tool holders) for use in metal-working machines, 45 per cent under British preferential tariff (reduced one-quarter to compensate for exchange depreciation), 65 per cent under general tariff (item 176F1).

The following rule is made regarding pumps imported with machines: If the pump be mounted on the machine, or if not mounted thereon be specially designed for use only when mounted on such machine as part of the machine, the pump is to be classified under the tariff item applicable to such machine. Otherwise the pump is dutiable under item 176F1 (see rates quoted in preceding paragraph).

Chromium-plated brass locks, 45 per cent under British preferential tariff (reduced one-quarter to compensate for exchange depreciation), 65 per cent under general tariff (item 208A2).

Dictating machines of the cabinet type are free of duty under the British preferential tariff and dutiable at 10 per cent ad valorem under the general tariff (item 319B2), but the cabinets, whether integral with the machine or not, are subject to duty at 25 per cent under the British preferential tariff and 53½ per cent under the general tariff, both rates to increase as present Australian exchange depreciation may be lessened (item 305A).

Articles of wire for the manufacture of electric incandescent lamps, viz.: Filaments, electrodes (leads-in), and supports, are free of duty under British preferential tariff and pay 15 per cent under general tariff (by-law under item 404).

"Nylon" filaments, principally used as a substitute for bristles in the manufacture of brushware, for casts for fishing lines, and for surgical sutures, are ruled to be "unspecified in the tariff" and are consequently not subject to customs duty.

Bottle capsules composed wholly or chiefly of casein, cellulose or similar substances, 5 per cent under British preferential tariff, 20 per cent under general tariff (by-law under item 434). Bottle capsules composed wholly or chiefly of gelatine are ruled to be "unspecified" goods, not subject to duty.

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

## South Africa

### PROPOSED CONTROL OVER CURRENCY CONVERSION FOR CUSTOMS VALUATION

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, reports that a resolution recently introduced in the South African Parliament by the Minister of Finance empowers the Minister, by notice in the *Gazette*, to determine the rate of exchange at which "domestic value" shall be computed in terms of Union currency when goods are imported from a country whose currency is depreciated to a considerable extent in relation to Union currency and evinces frequent and considerable fluctuations in value.

The "domestic value" referred to is that in Subsection 3 of Section 14 of the Customs Tariff and Excise Duties Amendment Act No. 36 of 1925, as subse-

quently amended. It is defined as the market price at which at the time of exportation such or similar goods are offered for sale, for consumption in the country from which the goods are exported, to all purchasers in the usual wholesale quantities in the ordinary course of trade in the principal markets of such country, including the cost of packages ordinarily used in those markets but not including excise duties payable in that country. Normally the value of goods for duty purposes is the "domestic value", plus extra cost of packing and packages for export, carriage to the port of shipment and all other expenses incidental to placing the goods on board ship ready for export to the Union, with a proviso that the value for duty be not less than the free-on-board price of the goods to the importer, including agents' or buying commission in excess of 5 per cent.

The resolution proposes also to give similar power to the Minister of Finance as regards computing value of foreign currency in cases where the Minister already determines value for duty purposes on account of any unusual conditions such as goods not being sold for use or consumption in the exporting country, royalties, the hiring of goods instead of transfer of ownership, or exclusive sales to agents.

### **Bahamas**

#### **RESTRICTIONS ON MOTOR CARS AND STEEL PRODUCTS**

A notice in the official *Gazette*, Bahamas, April 26, 1941, informed owners of private motor cars in the Colony that so long as they own a motor car that is in working order, or reasonably capable of being put in working order, no import licence would be issued to import another motor car. Permission to import any other type of motor vehicle will depend on the import control authorities being satisfied it is required for an essential service. Hardware dealers and contractors were notified that semi-manufactured iron and steel products should be also conserved. Import licences are to be issued only when essential service for which the material is required is explicitly stated in the application.

### **Barbados**

#### **SURTAX ON DUTIES INCREASED**

A law of March 4, 1941, increased the surtax on most goods entering Barbados from 10 per cent to 20 per cent of the duty applicable. The following remain subject to 10 per cent: mules; oilmeal, oilcake; dried, canned and bottled fruit; cornmeal; pickled pork; canned vegetables; blackings, polishes; lubricating oil, grease, motor spirit; turpentine; hardware; tools and implements (except agricultural); photographic appliances; typewriters; headings of wood; house, office and store furniture of wood; perfumery and cosmetics. The following are exempt from surtax: tobacco, snuff; brandy, whisky, gin, rum, wines, cordials, malt liquors; motor cars, trucks and omnibuses and parts and accessories therefor, including tires and tubes and electrical apparatus; unmanufactured wood and timber, dressed or undressed; shooks and staves; glass bottles; animal lard.

### **British Guiana**

#### **IMPORT PROHIBITIONS AND QUOTAS**

The Supplies Control Committee, British Guiana, on April 23 advised that the following goods are prohibited importation from all sources: bacon; fresh fish; unsweetened biscuits, sugar, honey, peanut butter, salted peanuts, raw coffee; animals for food; dresses, coats, trousers, shirts valued at 14s. per dozen f.o.b. and 30s. per dozen c.i.f.; bark for tanning; lumber, except two-inch white



pine boards for punt bottoms; timber, except from Dutch Guiana and Venezuela; matches; aluminium, manufactured or unmanufactured; advertising show cards, calendars, compliment slips, greeting cards; menu cards, printed or blank; paper novelties, paper cups, paper handkerchiefs, paper plates, paper saucers, paper table cloths, programs, visiting cards, window and counter display devices and Christmas crackers.

Paper bags and wrapping paper are not permitted from foreign countries and as regards Empire countries are limited to 50 per cent of total imports in 1938. Except for imports from the United Kingdom hams are reduced 50 per cent as compared with 1938 imports from countries other than the United Kingdom. Malt liquor, confectionery, prepared cocoa, paints including enamels and powder paint, may be imported from Canada on the basis of 100 per cent of purchases from Canada in 1938 or 1939 or of 75 per cent of purchases in 1940, at the importer's option. A quota on Canadian whisky is to be allocated on a half-yearly basis.

Quotas of foodstuffs, linseed oil and starch from the United Kingdom are allotted to importers in proportion to their imports in 1938.

Foreign tobacco in the leaf, "Black Fat", is to be allotted in proportion to imports in 1938 and 1939. Toys from foreign countries are limited to 75 per cent of imports from all foreign countries in 1938 or 1939. Piece-goods of cotton, silk, artificial silk and wool from foreign countries are to be allotted quotas on a yearly basis.

### United States

#### FOX FUR QUOTA

With reference to the article in *Commercial Intelligence Journal* No. 1925 (December 21, 1940), page 823, concerning a supplementary trade agreement between Canada and the United States increasing the Canadian fox fur quota in the United States to 70,000 units out of a total world quota of 100,000 units for each year ending November 30, attention is drawn to a provision in article 2 of the agreement which permits importation under certain circumstances of more units. Notwithstanding paragraphs 2, 3 and 4 of article 2 of the agreement, which defines the quota allowed, paragraph 5 of article 2 states that any part of the total quantity entitled to entry during any quota period which has not been entered, or withdrawn from warehouse, for consumption prior to May 1 of each year, may be entered or withdrawn from warehouse for consumption during the remainder of the quota period without reference to the country of exportation or the limitation that not more than 25 per cent of the yearly quota may be entered, or withdrawn from warehouse, for consumption during any one month. The Secretary of the United States Treasury, as soon as possible after May 1 of each year, is to determine and make public the number of fox fur units which may be entered under these provisions. The Acting Secretary of the Treasury declared that the number of silver or black foxes valued at less than \$250 each and whole silver or black fox furs and skins which might be entered, or withdrawn from warehouse, for consumption without reference to the country of exportation during the period May 1 to November 30, 1941, was 3,596. However, it was announced on May 23 that this quota had been exhausted.

### Brazil

#### CERTIFICATE REQUIRED FOR FISH

Mr. L. S. Glass, Canadian Trade Commissioner at Rio de Janeiro, reports that all exporters of fish to Brazil should supply a health certificate for fish shipped to that market. The certificate is to be given by the Fisheries Inspection Service of the Federal Department of Fisheries on official paper and in the following terms:—

Federal Inspection No.....Certificate No.....

The undersigned.....(name and designation of the Federal Department of Fisheries)..

certifies that the undermentioned fishery products

WeightKind of Fish and Method of Preparation

.....

.....

with the following marks

exported from.....(locality)..... by.....(name and address of shipper)..... and

destined....(name and address of consignee)..... shipped per.....(name of steamer).....

are fish products which have been inspected and considered healthy after "post mortem"

examination, do not contain any preservative in their composition and were prepared

and shipped under hygienic conditions.

.....this.....day of.....19....

.....

(Signature)

Canadian exporters in the East may apply for the certificate to A. L. Barry, Chief Supervisor of Fisheries, Halifax, or in the West to J. A. Motherwell, Chief Supervisor of Fisheries, Vancouver.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 26, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 26, 1941, and for the week ending Monday, May 19, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 19	Nominal Quotations in Montreal Week ending May 26	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2646	.2646	3½
Switzerland . . . . .	Franc	.1930	.2575	.2575	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2281	.2279	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2633	.2631	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Chile . . . . .	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia . . . . .	Peso	.9733	.6325	.6325	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4607	.4604	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0588	.0592	—
Hongkong . . . . .	Dollar	.....	.2711	.2700	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Feedstuffs—</b>			
Poultry-feed Grain.....	100	San Francisco, Cal.....	Purchase and Agency.
<b>Miscellaneous—</b>			
Green Carbonite.....	101	Sydney, Australia.....	Purchase.
Soap-making Machinery.....	102	Baghdad, Iraq.....	Agency.
Soap (Toilet) and Shaving Sticks.....	103	Baghdad, Iraq.....	Agency.
Pharmaceutical Preparations.....	104	Cairo, Egypt.....	Agency.
Oak Tanned Leather Belting.....	105	Baghdad, Iraq.....	Purchase.
Safety Razor Blades.....	106	Baghdad, Iraq.....	Agency.
Crown Corks.....	107	Baghdad, Iraq.....	Agency.
Socks, Woollen and Cotton.....	108	Mexico City, Mexico.....	Agency.
Sweaters, Wool.....	109	Mexico City, Mexico.....	Agency.
Underwear, Woollen and Cotton.....	110	Mexico City, Mexico.....	Agency.
Dolls of Celluloid Rubber, etc.....	111	Mexico City, Mexico.....	Agency.
Pulp.....	112	Mexico City, Mexico.....	Agency.
Paper.....	113	Tel-Aviv, Palestine.....	Purchase and Agency.
Paperboards.....	114	Cairo, Egypt.....	Agency.



# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

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## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

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# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXIV

Ottawa, June 7, 1941

No. 1949



Part of Assembly Line in the Hurricane Plant at Fort William

*Photo—Public Information*

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THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER





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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LXIV

Ottawa, June 7, 1941

No. 1949

## BUSINESS CONDITIONS IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, April 23, 1941.—Business conditions throughout the Union of South Africa continue to be active with a steady undertone, and both wholesale and retail trade have been brisk during the first four months of the year. The Transvaal gold mines are maintaining their high level of production. Industry is well employed and is taking care of an increasing volume of the country's normal as well as wartime requirements of manufactured goods. The position of agriculture is, on the whole, less satisfactory owing to export difficulties. The building and construction trades remain quiet, with activities well below normal.

### PUBLIC FINANCE

In presenting his budget on March 12, the Minister of Finance was able to announce a small estimated surplus for the fiscal year ending March 31. As regards the current period, expenditure to be met from revenue is estimated at £73,640,000, while revenue is estimated on the basis of existing taxation at £65,077,000. The estimated carry-over is £88,000, which makes a total revenue of £65,165,000, thus leaving a deficit of £8,475,000. Of this sum £8,390,000 is to be raised by new contributions from the following: gold mining, customs and excise duties, excess profits tax, company's tax and income tax. The estimated deficit at the close of the fiscal year, accordingly, is £85,000. Defence expenditure for 1941-42 is calculated at £72,000,000, of which £28,800,000 will be debited to revenue account and the balance of £43,200,000 to loan account. The budget of the Railways and Harbours Administration is in a healthy condition and shows a substantial surplus.

### EXPORTS AND IMPORTS

During the first three months of 1941 exports from the Union had a value of £8,191,306 compared with £7,855,595 for the corresponding period of 1940. Concurrently there was a decrease in the value of imports from £26,403,442 to £23,996,947. Re-exports went up from £442,751 to £997,230. Exports of bunker coal and ships' stores increased from £509,313 to £1,442,707, while imports of government stores rose from £1,057,915 to £3,135,885. None of these figures includes gold bullion, specie and wool.

Despite increasing costs, supplies of goods from abroad have been maintained without serious interruption, although with increasing demands there is a certain shortage of a few commodities, among which lumber is of particular interest to Canadian trade.

### EMPLOYMENT

The employment situation is good and in January, 1941, industrial employment expressed as a percentage of July, 1935, was 146 against 132 in January,

1940. The total number of native labourers employed in the mines and elsewhere was 631,262 at the end of January, in comparison with 601,334 the year before.

### BUILDING

A recently published statement dealing with building activities in the Union and covering the year 1940 indicates the slump which has taken place. The value of plans passed was £10,181,000 against £16,882,000 in 1939, a fall of 41 per cent. Similarly, the value of buildings begun went down from £13,440,000 to £8,405,000, which was a contraction of 38 per cent.

## SOUTH AFRICAN LUMBER IMPORT SITUATION

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, April 17, 1941.—Because of its very limited domestic supply, the Union of South Africa is an important importer of lumber and certain wood products. In the official trade statistics rough and sawn lumber are listed under a number of headings; imports under the more important of these, with quantities and values, for the calendar year 1939 were as follows:—

### *Lumber Imports by Classes in 1939*

Unmanufactured—	Cu. Ft.	£
Non-specified furniture woods . . . . .	56,046	14,702
Jarrah and karri . . . . .	379,160	47,537
Oak . . . . .	316,717	46,478
Teak . . . . .	1,043,746	264,307
Pitch pine . . . . .	1,293,390	203,451
Douglas fir . . . . .	5,151,312	327,263
Other pine and coniferous soft woods . . . . .	11,071,135	851,187
Non-specified unmanufactured wood . . . . .	1,510,800	180,230
Planed and partly manufactured—		
Tongued and grooved floorings and ceilings . . . . .	3,478,695	355,486
Other planed and grooved lumber . . . . .	14,875	1,727

### DISTRIBUTION OF IMPORTS

During the greater part of the period covered by the above figures normal peacetime conditions prevailed, and the details of imports by countries indicate the various sources from which the Union formerly obtained its supplies; they also show the many exporting countries that are not doing business now on account of the war. Statistics covering 1940 are not yet available, and when they are published certain European countries, particularly Russia, will still be shown as sources of supply, but the volume will be much lower than in the preceding year.

Non-specified furniture woods and oak are imported principally from the United States, jarrah and karri from Australia, while teak comes from South-eastern Asia. The United States is also credited with all pitch pine imports, and Canada with most of the Douglas fir. The war has caused no serious interruption in the trade in these varieties of wood.

The next item in the foregoing table—other pine and coniferous softwoods—is by a wide margin the most important. It includes all the ordinary softwood lumber used for building and general utility purposes. As noted, the total volume under this heading in 1939 was 11,071,135 cubic feet and the value £851,187. Most of this came from the Baltic and other parts of Europe that are now completely or almost completely closed to trade with the outside world. The proportion received from nine European countries was 79 per cent of both total volume and value.



Particulars of imports from each of these sources were as shown below:—

*Lumber Imports by Countries in 1939*

	Cu. Ft.	£
Total. . . . .	8,818,258	653,021
Finland . . . . .	4,776,174	346,618
Norway . . . . .	16,676	1,458
Esthonia . . . . .	157,433	12,360
Latvia . . . . .	22,491	1,418
Lithuania . . . . .	58,538	5,591
Poland . . . . .	459,463	38,249
Roumania . . . . .	49,688	3,438
Russia . . . . .	1,945,146	134,658
Sweden . . . . .	1,332,649	109,131

The foregoing figures illustrate the extent of the dependence of the Union on Europe for its wood supply. For ordinary softwoods there remain only such principal supplying countries as Canada, the United States, Brazil, and the Congo.

As regards non-specified unmanufactured wood, the outbreak of war has not affected the ability of the producing countries to continue to export. The principal sources of supply were the Philippine Islands, Portuguese East Africa, Australia, Netherlands India and Brazil.

In the planed and partly manufactured group, planed, tongued and grooved flooring and ceiling material is of some importance, and the Baltic countries were formerly among the principal sources of supply. Among these Finland was credited with 1,628,466 cubic feet (£141,928), Sweden with 510,694 cubic feet (£42,209), and Norway with 173,834 cubic feet (£17,377). With the possible exception of very small quantities, the material formerly coming from these countries must now be obtained elsewhere.

The cessation of supplies from European countries has strengthened the market for other sellers and has also increased the demand for more expensive substitute articles such as Douglas fir. Concurrently, more attention has been paid to South African forests, the exploitation of which has been accelerated.

#### DEVELOPMENT OF DOMESTIC INDUSTRY

A recent report of the Forestry Division of the Department of Agriculture and Forestry gives some particulars regarding the big increase in the current demand for timber grown in South Africa and the growth of a number of timber-using industries. Apart from the difficulty in getting supplies from countries involved in the war, the prices of imported wood were affected by the increased cost of freight and insurance. Accordingly, shortly after the outbreak of hostilities stock was taken of the situation to ascertain the extent to which the increased demand could be met by domestic production.

The total area of land under the control of the Forestry Division, most of which is covered with forests in various degrees of development, totals 3,445,805 acres. Special attention has been paid to domestic lumber for the manufacture of various types of boxes, crates and containers. An experimental plant has also been established in the Transvaal for the production of hardwood flooring, and the results obtained are reported to be very satisfactory. Reference is also made to the steps taken to develop the sawmilling industry and at the same time to ensure orderly marketing and price control. The formation of a farmers' co-operative, which bought a sawmill and made its own contract for buying timber for the Government, is noted.

Reference is also made to the pulp and paper industry and to the proposal to build a pulp mill to utilize thinnings and tops from pine plantations. This project was halted by the outbreak of war, while a similar scheme involving the erection of a pulp and paper mill in another locality has also been left in abeyance.

So far as hardwood is concerned, the supply of eucalyptus and wattle has now outstripped the demands of the mines, formerly the principal consumers, and consequently consumption is being diverted to use as firewood, poles and rough building materials.

The report ends with an account of the research work being done, which covers not only the development of the forests but the utilization of their products.

While no reference is made to the future, climatic and soil conditions in South Africa are such that there is little possibility of domestic wood ever superseding imports to any appreciable degree; during the present crisis they can be used to a certain extent to fill the gap. When conditions return to normal, however, or if more shipping should become available to bring lumber from North America, this country's wood purchases will again continue to move upward, despite the present dull conditions in the building industry.

The various laws of the Union dealing with the protection and utilization of forests have recently been amended and consolidated in a measure known as the Forest and Veld Conservation Act, 1941, which became effective on April 3. A copy of this legislation has been forwarded to the Department of Trade and Commerce, Ottawa, where it is available for inspection by interested Canadian firms. While it deals mostly with matters of purely domestic concern, it empowers the Government to prohibit the importation of lumber and lumber products except under conditions that may be prescribed or proclaimed. The new law also contains clauses that can be invoked dealing with specifications and trade names and descriptions of lumber and lumber products.

## CONDITIONS IN AUSTRALIA BY STATES IN 1940

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

### Queensland

#### PRIMARY PRODUCTION AND TRADE

Melbourne, April 10, 1941.—The value of Queensland's primary production for the year ended June 30, 1940, reached a record sum. Comparative figures for 1938-39 and 1939-40 covering the four main classes are given in the following table:—

	1938-39 Pounds Australian	1939-40 Pounds Australian
Sugar . . . . .	11,750,000	13,800,000
Butter . . . . .	9,650,000	9,000,000
Wool . . . . .	8,000,000	10,700,000
Meat . . . . .	10,000,000	10,500,000
Total . . . . .	30,400,000	44,000,000

Exports overseas, valued at £A31,614,142, were the highest on record and approximately £A3,000,000 in excess of the total for the previous year. Butter and cheese exports declined, but shipments of wool, beef and sugar showed an increase. Export values of the four principal commodities in 1939-40, together with values for 1938-39, were as follows:—

	1938-39 Pounds Australian	1939-40 Pounds Australian
Wool . . . . .	8,521,561	9,734,838
Butter . . . . .	7,523,409	6,370,133
Sugar . . . . .	4,155,785	6,097,279
Beef . . . . .	3,631,716	3,927,588

Comparative figures over a five-year period show an increase of 66 per cent in the value of exports and of only 26 per cent in value of imports, with a consequent improvement in the favourable balance of trade in the period.

Queensland's trade with the other Australian states has also shown expansion as the following figures of values show:—

	Imports Pounds Australian	Exports Pounds Australian
1933-34 . . . . .	16,145,000	13,220,000
1936-37 . . . . .	21,213,000	14,761,000
1939-40 . . . . .	24,298,000	17,176,000

In common with other Australian states, Queensland suffered abnormal weather conditions during 1940. An unusually long, wet season retarded growth in the northern districts; the central districts experienced a short, wet season with subsequent long, dry spells; and the southern areas suffered from abnormally dry conditions.

#### SHEEP AND WOOL

Grazing is the predominant industry, three-quarters of the land in the state being utilized for feeding live stock. The value of the sheep and wool industry to this state during 1939-40 was estimated at £A11,500,000, a figure little short of a record as the industry's cheque has seldom exceeded £A11,000,000. The wool clip of some 204,750,000 lb. was 15,750,000 lb. in excess of the 1938-39 total and constituted a new record for quantity. On January 1, 1940, a record number of sheep (23,500,000) was pastured in Queensland; but the unfavourable conditions subsequently experienced caused a disappointing lambing season, the drop being only about 50 per cent of the normal increase, while in some districts it was a complete failure. Consequently the quality of drafts penned for sale during December, 1940, was mixed and offerings comprised mainly fair to good trade sheep, with prime lines scarce and fat lambs in limited supply.

#### DAIRYING

The dairying industry suffered a severe setback as the result of adverse weather conditions throughout the year as well as a severe grasshopper plague early in the season. Butter and cheese production for the 1939-40 season, valued at £A9,585,000, was at the second highest level in the history of the state, being exceeded only in the previous year when a total of £A10,243,000 was attained. Comparative figures of the state's butter and cheese production and value during the seasons 1938-39 and 1939-40 are as follows:—

	1938-39		1939-40	
	Hundredweight	Pounds Australian	Hundredweight	Pounds Australian
Butter . . . . .	1,378,371	9,743,000	1,248,185	9,120,000
Cheese . . . . .	140,617	500,000	123,185	465,000
Total . . . . .	1,518,988	10,243,000	1,371,370	9,585,000

Butter production in the first six months of the 1940-41 season declined steadily, production reaching only 400,000 cwt. as against 541,000 cwt. for the corresponding portion of the previous season. With the prospect of more favourable conditions and also the approach of the peak producing period, the industry should show improvement. A steady demand for milking cows was maintained throughout the season, prices ranging up to £A14 per head.

There was a favourable outlook for the cattle industry throughout the season as the result of the demand to meet the wartime requirements of the Commonwealth, as well as orders lodged by the British Government. Cattle were up to normal standard and average prices were 36s. per 100 lb. for first quality bullocks and 33s. for cows. However, the prospect of restriction of exports caused some recession in prices towards the close of the year.

#### SUGAR

The record sugar crop of 891,422 tons in 1939 was valued at £A14,000,000, a figure £A2½ million in excess of the record established in the 1938-39 season.



Expectations that the 1940 crop would approximate the record harvest of 1939 were not realized owing to the unfavourable seasonal conditions. The 1940 crop is estimated at 763,000 tons, or 128,422 tons below the 1939 crop. It may be noted that the 1940 figure compares with 776,810 tons in 1938 and 762,794 tons in 1937.

As from February 1, 1940, motor spirit vendors were required to increase their purchases of power alcohol from two gallons to 2½ gallons for each 100 gallons of motor spirit sold. This aroused renewed interest in the manufacture of power alcohol from molasses, and the Queensland Canegrowers' Association began to consider plans for increasing production from 1,000,000 gallons to 5,000,000 gallons of alcohol annually.

### COTTON

During 1940 it was announced that the Commonwealth Government had extended the bounty on raw cotton for five years from December 1, 1940, at the following basic rates for high grade Australian raw cotton: 1941, 4¾d. per lb.; 1942, 4½d.; 1943, 4¼d.; 1944, 4d.; 1945, 3½d. per lb. By this decision, which will cost the Commonwealth Government the sum of £A750,000, it is hoped to stabilize the industry and encourage production in Queensland of sufficient raw cotton to take care of Australian requirements of 60,000 bales annually.

During 1940 the yield of cotton was estimated at 8,000 bales from plantings of approximately 46,000 acres. This yield, being adversely affected by seasonal conditions, was 4,000 bales less than that of the previous season. Plantings for the 1940-41 season were expected to increase to 80,000 or 100,000 acres, and the number of share-farmers from 545 to 10,545.

### WHEAT

While wheat-growing areas in Queensland did not suffer to the same extent as in other states, the estimated production of wheat for the 1940-41 season was only 5,600,000 bushels as compared with 6,585,000 bushels during 1939-40 and 8,584,000 during 1938-39. This was sufficient to take care of the State's annual requirements, which are approximately 4,000,000 bushels.

### TOBACCO

The rapid expansion of the tobacco-growing industry in Queensland over a short period is indicated in the following table:—

Year	Acres Planted	Leaf Cured Pounds	Number of Growers	Value £ Aust.
1935 . . . . .	3,117	1,555,083	837	140,880
1936 . . . . .	3,973	2,005,031	876	165,916
1937 . . . . .	3,812	2,317,066	749	197,047
1938 . . . . .	3,450	2,183,928	741	200,000
1939 . . . . .	3,554	2,093,868	668	192,623
1940 . . . . .	4,530	2,400,000	633	260,000

During 1940 the quality of tobacco leaf grown in Queensland showed improvement and a top price of 55d. per lb. was reported as a result of keen competition at the June sales. Values were otherwise well maintained and average prices were much above those ruling during the past few seasons.

### TIMBER

The timber industry in Queensland experienced a very buoyant season, with the mills finding orders for defence purposes more than sufficient to cover any decrease in other demands for building material. The reduction in arrivals of softwoods from overseas was also reflected in heavy orders for Queensland timbers.

## BUILDING

Large-scale building throughout the year was dull, but small works were maintained during 1940. Permits for all buildings, including private, government and municipal, issued during the financial year 1939-40, were valued at £A6,850,000 as compared with £A7,700,000 for the previous year. Indices of building activity in Queensland based on the value of permits issued in the twelve main cities of Queensland during 1940 were 174 for dwellings and 63 for other buildings (January, 1929=100).

## SECONDARY INDUSTRIES

The secondary industries of the State benefited by defence contracts, all woollen mills working at full pressure, while boot, preserving and other manufacturing industries were actively engaged. A substantial increase was reported in railway traffic, and workshops were operating at full capacity on the construction of locomotives and rolling-stock. Coal mines worked at full pressure, deliveries being much heavier than normally.

Generally the year 1940 was a period of prosperity for Queensland as a result of the improvement in wool receipts, the satisfactory outlook in the sugar industry, the favourable position of the dairying industry, and the full employment of most industrial and manufacturing undertakings.

## STATE FINANCE

The State budget for 1940-41 provided for a surplus of £A5,507, in spite of the provision for an extensive program of public works undertaken to assure a maximum of employment with expenditure distributed in the most economical and productive directions. The plan provides for the distribution and timing of works in such a way as to minimize the effects of seasonal unemployment in industry.

## New South Wales

Severe drought conditions prevailed over the greater part of New South Wales throughout 1940, necessitating in the dairying industry the hand-feeding of stock and carting of water for both domestic and stock purposes. The greater part of the grazing lands carried a good body of dry feed and, despite the adverse season, sheep held condition well. Lambing in most areas was satisfactory.

## BUTTER

Production of butter in New South Wales during 1940 was affected by the prolonged dry weather, which persisted up to the end of December. With the exception of Queensland, New South Wales registered the biggest decline in the output of butter, production during 1940 being 880,420 cwt. as compared with 1,075,282 cwt. during 1939. The net percentage of choicest butter marketed in New South Wales during 1939-40 was 92.9, which is the highest figure attained for the previous ten years and compares with 91 per cent for 1938-39.

## WHEAT

Production of wheat in New South Wales during 1939-40 was 76,500,000 bushels, but during 1940-41 was only 24,500,000 bushels, the smallest yield since 1919-20. The average yield per acre in 1940-41 was 5.6 bushels, ending a sequence of ten years in each of which the average yield exceeded twelve bushels per acre. The f.a.q. standard for 1940-41 was fixed at 62 $\frac{3}{4}$  lb. per bushel, the lowest figure for some years. The 1939-40 standard was 63 $\frac{1}{4}$  lb. per bushel.

## WOOL

The quantity of wool received during the six months ended December, 1940, indicated that, notwithstanding the unfavourable conditions under which a large proportion of the wool clip was grown, total production for the year ending June 30, 1941, should be little below that of the previous season. Wool received in Sydney during the first six months of the 1940-41 season was 33,023,800 lb. or 6 per cent below the comparable figure for that portion of the previous season.

## MANUFACTURING

Excepting for the two months' duration of the coal strike, secondary industries in New South Wales continued fully employed during the year, the textile trade being heavily engaged filling orders mainly for defence purposes. Engineering and electrical plants had substantial orders for both defence and commercial requirements, but skilled operatives, tool makers and high-grade mechanics, were difficult to obtain.

Some shortage in supplies of raw materials for which essential services have priority was experienced, e.g. galvanized iron and cotton. The outlook in the tanning industry became somewhat uncertain on account of the lack of shipping space and restriction of imports into Great Britain.

Tabulations of sales made by 42 large factories in New South Wales show the following monthly averages for the January-October period: 1938, £A3,123,000; 1939, £A3,170,000; 1940, £A3,504,000. For the month of October alone the sales figures were: 1938, £A3,005,000; 1939, £A3,421,000; 1940, £A3,969,000.

## RETAIL TRADE

Retail turnover generally was ahead of the previous year's figures, with some departments higher than in any previous period. The increased demand for goods resulted mainly from the expansion of industries producing directly or indirectly for the war effort, and the accompanying improvement in the employment position.

## EMPLOYMENT

Employment statistics for the month of December, 1940, as compared with those for December, 1939, show a marked increase in the total number in employment. The total in private employment was 749,122 as against 723,704; in factories, 259,000 against 240,400; net total in employment, 907,311 as against 875,466 (excluding rationed relief workers and in 1940 men in the forces who were not on pay sheets of private employers).

## REAL ESTATE AND BUILDING

Real estate sales recorded in the State during 1940 totalled £A31,043,000 as compared with £A32,157,000 in 1939 and £A37,419,000 in 1938. Cottages and residences were in heavy demand, while blocks of flats for investment purposes were keenly sought. Shop properties in suburban areas sold readily at good prices. While there was an almost complete disappearance of important building projects in city areas, residential building in the suburbs showed a marked increase. Industrial centres reported a shortage of houses, particularly in country industrial centres where there had been a marked increase in labour employed.

Building permits to the value of £A11,718,239 were issued by city and metropolitan councils during 1940. Comparative figures for 1938 and 1939 were £A14,042,219 and £A12,219,467 respectively. Over the past three-and-a-half year period ended December 1940, co-operative building societies in New South Wales had provided 16,000 new houses for members at an average cost of £A731. If additional funds can be secured, 5,000 new homes will be built annually at an aggregate cost of £A5,000,000.



## MOTOR VEHICLES REGISTERED

The possibility of further reduction in petrol rations was probably responsible for the small turnover in second-hand cars in the latter part of 1940. Motor registration for the State at the end of December, 1940, totalled 316,363 as against 328,554 at the end of December, 1939. The weekly average of new cars registered was 163 in December, 1940, against 344 in December, 1939, while registrations of new lorries and vans averaged 69 per week against 127 in the corresponding period of 1939.

## Victoria

### AGRICULTURE

Following a year of excessive rain and floods in Victoria, dry weather set in during December, 1939, and the rainfall for 1940 was below average throughout the whole of the State. The dry conditions which prevailed in the summer caused a serious outbreak of fires with much damage and loss of property. Persistent dryness in the autumn and winter, with the lowest total rainfall in the wheat belt since 1914, had a disastrous effect on the wheat harvest, which, estimated at 14,000,000 bushels, was the lowest since 1919 and only about one-third of the average for recent years. Nevertheless, a plentiful supply of dry feed carried over from the previous spring was available for stock until late autumn. April rains relieved the situation until June when shortage of feed in the northern districts created a pressing problem.

### REAL ESTATE AND BUILDING

Buoyant conditions prevailed in the real estate market in Melbourne in 1940. Factory buildings were in good demand, while home sites in both medium- and high-priced districts were eagerly sought. There was little activity in city property, however, the opinion being that vendors' ideas of values were out of line. The building industry had an exceptionally busy year coping with the urgent requirements of defence and other departments, besides a record public demand.

### CAR REGISTRATIONS

There was a marked decrease in the registration of motor vehicles during 1939-40 as compared with the number registered in 1938-39. This can be accounted for by the imposition of restrictions on the consumption of petrol and other power fuels.

### INSURANCE

Insurance records (other than life) taken from returns submitted by 128 companies showed that premiums received in 1939-40 exceeded those of the previous year by £A226,387. Appreciable increases in individual classes of insurance were recorded in respect of marine, accident (person), hailstone, and householder's comprehensive policies, while employers' liability and workers' compensation insurance decreased.

### SECONDARY INDUSTRIES

All sections of secondary industry continued fully employed up to the beginning of the Christmas recess. Boot manufacturers experienced an improved demand for lower-priced footwear, resulting, in conjunction with military orders, in a considerable increase in the out-turn of all factories. Practically all sections of the metal trades continued in full production. The situation was similar in most sections of the textile and clothing trades as well as in the manufacture of building materials, furniture and joinery works. Tanners were fairly busy on leather for the local boot trade and on a limited volume of export trade.

Woollen mills in provincial centres continued to work to capacity largely on defence orders. The marked reduction in arrivals of timber from overseas led to increased activity in bush sawmills and seasoning works. The construction industry was worked to capacity with skilled labour continually in short supply.

### GOLD MINING

The Bendigo gold-mining industry in 1940 enjoyed its highest production and most profitable twelve months for more than thirty years. A year previously about two dozen companies were operating on Bendigo's famous parallel reefs. In the intervening twelve months there was an increase to nearly twice that number either producing gold or carrying out important developmental work.

### South Australia

#### WHEAT CROP

Dry conditions prevailed throughout the main part of the State during the year. Scattered rains in mid-October and again in early November assisted the growth of summer feed and increased water supplies, but the greater part of the State's wheat crop was beyond help. Australian Wheat Board estimates of the production of wheat in South Australia during the 1940-41 season were 18,000,000 bushels as compared with 41,072,000 bushels for 1939-40. Drought conditions in the northwest wheat belts up from Port Augusta, and in other stricken parts of the State, were comparable to those in the great drought of 1914; but generally the season was not so bad as in that year, when the wheat yield was only 3,500,000 bushels.

### TRADE AND INDUSTRY

Trade continued at a steady level throughout the year, as secondary industries, stimulated by the Government's wartime expenditure, continued to expand and to absorb more workmen. Official Labour Exchange figures showed that the registered total of 3,707 unemployed in South Australia at the end of December, 1940, was the lowest for nearly thirteen years. The building trade was brisk and competent tradesmen were hard to obtain; while the engineering and iron trades were exceptionally busy. South Australia's share of the Commonwealth defence works expenditure during the 1940-41 financial year approximated £A4,217,000 and the proportion expended month by month had a beneficial effect on business, which otherwise would have suffered from an unpromising seasonal outlook. Almost every engineering workshop in South Australia was engaged in some form of munition work, and contracts worth more than £A4,000,000 were in hand at the end of 1940.

### STATE FINANCES

At the close of the financial year 1939-40 the State's deficit for the year was about £A163,000 as compared with an estimated deficit of £A570,000 when the budget was delivered on September 26, 1940. Revenue for the twelve months was £A12,756,000 and expenditure £A12,919,000. Both totals were new records for the State, the previous highest revenue being in 1937-38 and the previous highest expenditure in 1938-39. South Australia's financial position at the end of the first six months (June-December, 1940) of the financial year 1940-41 showed an improvement of £A567,000 as compared with the position a year earlier.

### SUNDRY INDICES

Statistics issued by the Government Statist indicated that more than 50,000 people were employed in South Australia's 2,270 factories during 1940—a record

for the State. Further figures show that 1,714 new dwellings were erected during the year, nearly 200 more than in 1939 and the highest total since the boom period of about 1927.

The report and balance sheet for the year ended June 30, 1940, of the Savings Bank of South Australia showed that the war exigencies and seasonal difficulties combined to cause a slight decline in business in some departments when compared with the position a year earlier. Withdrawals to enable money to be put into Commonwealth war loans and War Savings Certificates, and the financial needs of farmers in the drought-stricken areas, also contributed to this position. South Australia's 1940 wool clip was estimated at 343,000 bales or approximately 108,045,000 lb. The wool clip of 375,000 bales in 1939 yielded a total return of approximately £A6,000,000.

### **Tasmania**

The season throughout the main part of Tasmania in 1940 was dry. As a consequence the apple and pear crop was detrimentally affected. Many of the apples were too small for commercial purposes and could not be picked for export. Grass in the sheep-raising areas was fairly good considering the circumstances and the condition of stock towards the end of the year was fair.

Trade continued to be brisk and there was a large amount of building in the cities and in the larger country towns. No doubt many who had contemplated erecting or making alterations to buildings, hastened work in order to secure the necessary material from the existing stocks. There was a lack of tourists and a reduction in the number of overseas steamers, which in normal times call for apples and pears for the English markets.

Bush fires were very severe in the middle of March and great damage was done to properties in many parts of the country. Houses and outbuildings and stock were destroyed and many orchards ruined. Although not so intense as when pressure of overseas shipment was constant, the picking and packing of apples and pears kept many employees of the fruit industry busy. High winds were responsible for considerable losses.

Tasmanian growers had reason to be satisfied with the appraisalment of the wool clip for 1939-40, as top prices for all classes of wool exceeded those of the previous year, and the increased prices made up for the smaller quantity offered. The wool generally, and merino particularly, was lighter in condition and finer.

Among those who suffered by the unseasonable weather were the hop growers in the Derwent Valley districts. There was a light crop the previous season, consequently many of the growers suffered very severely.

### **Western Australia**

#### **WHEAT**

Wheat production in Western Australia during 1939-40 reached 40,861,000 bushels, some 4,020,000 bushels more than for 1938-39, notwithstanding a reduction of approximately 350,000 acres in the area sown for grain. The weather in 1940 was exceptionally dry, causing an estimated decrease in production for the 1940-41 season of 19,000,000 bushels or an estimated total production for the State of 21,600,000 bushels.

#### **WOOL**

Wool production for the 1940-41 season was estimated at approximately 74,812,500 lb. as compared with a total of 77,403,645 lb. with a value of £A3,886,940 appraised during the 1939-40 season.

#### **LAMBS**

In view of the unfavourable seasonal conditions the export lamb season proved very satisfactory. The total number of lambs treated, 327,882, was only 3,040 below the tally attained under the more favourable conditions in 1939.



## FRUIT

Oversea exports of fresh fruit from Western Australia during the year ended June 30, 1940, amounted to 681,739 boxes, chiefly comprising 600,860 boxes of apples, 23,072 boxes of pears, 3,596 boxes of oranges and 52,503 boxes of grapes. Dried fruits exported included currants, sultanas and lexiass.

## TIMBER

The export timber industry of the State during 1940 was confronted with considerable difficulty in clearing orders for the United Kingdom owing to shortage of shipping space.

## GOLD OUTPUT

Gold production decreased slightly in 1940 to 1,191,481 fine ounces or 22,757 ounces less than the production in 1939; but owing to increased prices for gold, the value of production at £A12,698,391 was £A855,327 greater than in 1939.

## MANUFACTURING AND BUILDING

Business activities throughout 1940 remained about normal with a tendency to become more active owing to the stimulating effect of wartime expenditure. Manufacturing industries engaged on defence contracts were fully employed, but those dependent to any marked extent on agricultural districts suffered some decline in activity as a result of the adverse seasonal conditions.

A review of the property market during 1940 shows that the main demand was for dwelling-houses and residential building sites in the metropolitan areas, where values generally were well maintained. Building permits to the value of £A1,459,427 were issued by local governing bodies in the metropolitan area during 1940 compared with a total of £A1,591,160 during 1939.

## STATE FINANCES

For the year ended June 30, 1940, the State finances showed a deficit of £A46,825 as compared with an estimated deficit of £A31,268. In preparing the budget it was anticipated that on the passage of a bill to amend the Traffic Act, revenue to the extent of £A120,000 would be obtained by the transfer of motor licence traffic fees to consolidated revenue. The bill was defeated and revenue was deprived of this amount.

## MR. COSGRAVE ON TOUR OF CANADA

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia (whose territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies), is on tour in the Dominion in the interest of Canadian trade with Australia. Following is his itinerary:—

Montreal and district . . .	June 9 to 18	St. Catharines, Niagara Falls and district . . .	June 26
Brockville, Kingston and district . . . . .	June 23	Hamilton and district . . .	June 27 to 30
Port Hope . . . . .	June 24	Brantford and district . . .	July 2
Welland . . . . .	June 25	Kitchener and district . . .	July 3 and 4

Firms wishing to be brought in touch with Mr. Cosgrave should communicate for Montreal with the Montreal Board of Trade, and for the other centres with the respective Board of Trade or Chamber of Commerce.

## OPPORTUNITIES FOR SELLING GIFT NOVELTIES IN THE UNITED STATES

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, May 27, 1941.—Occasional requests are made in the United States for gift novelties, particularly of the handicraft type, which can be sold in a relatively low price range. This interest could be extended if there was offered a number of novelties which could be sold for around \$1. This price, of course, includes customs duties and whatever mark-up is necessary.

Canadian firms wishing to sell in the United States cheap novelties which they believe to be different from those produced in the United States at the present time, are invited to write to the Canadian Trade Commissioner, 620 Fifth Avenue, New York, N.Y.

## MARKET FOR CODFISH IN MEXICO

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, May 19, 1941.—Nearly all types of fish are regarded as luxuries in Mexico, partly due to the price of this product. The average peon, representing some 16 millions out of the 19-million population, cannot afford to purchase it. The fish consumed by the better-class Mexicans is generally taken from local waters, and includes, among others, the huachinango (red snapper), robalo (a tropical haddock), pampano, and mackerel. Only foreigners purchase codfish and these are chiefly Europeans, as the majority of United States citizens in Mexico prefer canned fish. Mexican consumption is limited to some 400 metric tons (of 2,204 pounds).

### IMPORTS

Imports of codfish into Mexico from principal supplying countries in the past three years were as follows, in kilos (of 2·2 pounds):—

#### *Mexican Imports of Fish by Principal Countries*

	1938	1939	1940
	Kilos	Kilos	Kilos
Denmark . . . . .	8,538	6,283	.....
United States . . . . .	5,278	3,656	61,117
Norway . . . . .	326,801	377,431	180,914
Netherlands . . . . .	8,991	2,494	.....
Poland . . . . .	2,083	4,807	.....
Sweden . . . . .	900	.....	.....
Canada . . . . .	.....	.....	2,280
Portugal . . . . .	.....	.....	901

The number of sources of supply shown in the foregoing table indicates that the Mexican customs statistics probably include types of fish other than cod.

The figures for 1940 reflect the influence of the war on Mexican importations and show how necessary it is for Mexico to obtain new sources of supply to replace those formerly available in Europe. As a result of the outbreak of war, last year's supply of fish from Norway was reduced by 50 per cent, and all shipments ceased after the German occupation of that country. Imports were cut off also from Denmark, the Netherlands, Poland, and Sweden. It is, however, possible that occasional shipments may still come from Sweden, as a shipment from that country arrived recently at a Mexican gulf port. Last year marked the entry of Portugal and Canada into the Mexican market. Owing to its more favourable geographic location, it is probable that Canada is in a much better position than Portugal to replace Norway as a supplier of cod to the Mexican market.

## NORWEGIAN SUPPLIES

In the past the principal suppliers of codfish to Mexico have been the Norwegians, who know the exact requirements of this market. The local trade is not well informed concerning the type of codfish it is handling, and it is difficult to obtain information as to the cure required. Wholesalers, as a rule, handle many other lines, and the codfish trade is not their most important. The type known as "Langa" codfish was the most highly regarded of those imported from Norway. Norwegian fish reached the Mexican market with a moisture content of approximately 12 to 14 per cent. In the largest sizes it weighed, with bones, from 4.4 to 6.6 pounds. The colour was white, indicating that the fish was bled. It was wet dried and soft cured. The fish was washed when the bones were removed, and pressed to remove some of its oil.

## FISH FROM THE UNITED STATES

It is doubtful whether much real Atlantic codfish, except that supplied through middlemen handling the Canadian product, is imported into Mexico from the United States. The majority of Mexican importers state that they obtain fish from California. As reported by one importing firm, this fish comes without heads or tails, split and folded over, in cases weighing 40 pounds. This firm states that the fish purchased average about 23.6 inches in length and weigh 3 pounds. They pay \$7.20 United States currency per case of 40 pounds, f.o.b. San Francisco. The fish received is yellowish white. Another importer obtains similar fish in cases of 100 to 120 pounds. This fish is hard dried and is imported in the large size only. This firm pays \$15.87 Canadian, c.i.f. Veracruz, indicating that the fish is from the Atlantic. A third importer states that 80 per cent of the fish obtained by him from the United States is not codfish but a similar fish called "Zarbo" and also shark. This fish comes without head or tail. The product shipped with bones is packed in wooden cases weighing 100 pounds net, and the boneless fish in cases of 40 pounds. The best known United States type of codfish on this market is of this quality and is sold under the brand "Silver King". It comes in the following sizes: (a) small, 12 to 16 inches, weighing approximately 28 ounces; (b) medium, 16 to 20 inches, weighing 35 to 38.5 ounces; (c) large, 20 to 24 inches, weighing 38.5 to 42 ounces; and (d) extra large, 24 inches and up, weighing 52.5 ounces and up. The price paid by the importer is \$14.85 United States currency, less 10 per cent c.i.f. Veracruz, per 128 pounds net.

Another importer of dried salt fish from the United States reports that he imports fish that has been split and cut into small pieces which, however, are left in place. This type is free of heads, skin, tails, and bones. It is imported in cases of 39.6 pounds net.

## MARKET SITUATION DURING THE PAST SEASON

The most important factor in last season's trade was the entry of genuine Canadian codfish into the Mexican market. Previously the predominant position held by Norwegian supplies and the relatively small extent of the market as compared with that of Naples, Italy, had precluded Canadian exporters from attempting to sell in this market. Following are the quotations that prevailed during the past season:—

	Boneless	With Bones
September 13, 1940 . . . . .	\$5.50 per 30 lbs.	\$7.00 per 100 lbs.
November 13, 1940 . . . . .	4.90 per 40 lbs.	7.00 per 100 lbs.
December, 1940 . . . . .	5.30 per 40 lbs.	.....
February 10, 1941 . . . . .	5.60 per 40 lbs.	8.00 per 100 lbs.
March 3, 1941 . . . . .	5.60 per 40 lbs.	9.00 per 100 lbs.

It is probable that prices will increase slightly over the foregoing rates.



## SIZE AND WEIGHT OF CODFISH IN DEMAND

All measurements of codfish for the Mexican market should be from the end of the backbone at the tail up the centre to the end of the flesh at the neck, but not including the flap of the neck. The fish in demand is from 12 to 30 inches in length. The fish formerly imported from Norway was from 14 to 25 inches in length, according to the method of measuring given above. The largest Norwegian fish imported with bones weighed from 4.4 to 6.6 pounds.

It should be borne in mind that genuine codfish of two types are in demand in Mexico—with bones and without bones. Codfish with bones is packed in 100-pound cases, and boneless cod generally comes in 30-pound cases, but 40-pound Canadian cases are also acceptable. Split codfish with bones are packed without heads but with tails; boneless fish are packed without either heads or tails.

## REQUIRED CURE FOR MEXICAN MARKET

The exact cure suited to the Mexican market is difficult to determine, as local importers are not familiar with the different types of cure. This is due to the fact that codfish is a relatively small line for the local trade, and sales are limited to foreigners in Mexico, not to Mexicans or Americans. Dealers are apparently less informed concerning the merits of different cures than are consumers, who come from Europe where they have been accustomed to buying cod and to cooking it according to methods in use in their respective countries. The cure that has always met with the greatest favour in Mexico is the Norwegian "Langa". This fish is always white when opened out, and is, of course, bled. Since, however, the unbled Canadian codfish has entered the Mexican market, there has been some speculation as to its general acceptance by consumers owing to its dark appearance.

Another important point with respect to the cure of the fish to be offered on the Mexican market hinges on the question as to why the cure adopted for and accepted in Cuba is not suitable for Mexico. Canadian exporters should note particularly that the Cuban cure is not wanted on the Mexican market. The fish shipped to Cuba is on sale to the public within a relatively short time of its arrival at port of destination. On the other hand, as the largest sales to the Mexican Republic are for consumption in the capital and the central plateau area, which are a long way in point of delivery time from the ports of arrival, the cure required is one that will keep longer than one suitable for a market where the fish will be sold immediately on arrival. A shipment arriving at Veracruz takes at least 12 or 14 days more to reach Mexico City. This period is required to unload the fish at the port and pass it through the port Fiscal Depot before it is put on the train for the Capital.

Codfish for Mexico should not be heavily salted. If oversalted, the damp weather in Mexico City, combined with the heat in the tropical zone at the port of entry, may set up "burn". Again, fish for Mexico is likely to be affected by a chemical reaction, which appears in the form of red patches. Local consumers are inclined to consider such fish inedible, and a chemical agent should be used to prevent this discoloration.

## CANADA'S POSITION IN THE MARKET

As indicated above, there are favourable prospects for Canada to take over Norway's position in the coming season in this market. One importer who handled some \$8,000 worth of Canadian fish during the past winter (1940-41) is hopeful of rapidly increasing his purchases to ten times that value during next season. One or two Canadian exporters are now well established in this market, but newcomers should not be over-optimistic concerning sales prospects. The market demand is small, under 400 metric tons, and the number of capable agents and distributors is limited. In the past only one or two Norwegian firms

were represented in this market, and it is probable that only the same number of Canadian firms can sell successfully owing to the limited demand.

It should be borne in mind that the import statistics given at the beginning of this report do not show Canada's total shipments to Mexico during the past season, as the period covered does not include the first quarter of 1941. In 1912, before Norway began to dominate the Mexican codfish trade, imports of cod from Canada totalled \$4,000 in value; in 1918 this was reduced to \$508. It is possible that Canada will be able not only to re-enter the market but also retain part of this trade when conditions return to normal.

## CALCIUM CARBIDE PRODUCTION IN MEXICO

Mr. A. B. Muddiman, Canadian Trade Commissioner at Mexico City, writes under date May 20, 1941, that calcium carbide is produced in Mexico by the Compania de Carburo de Calcio of Mexico, and is protected by a high tariff that practically precludes all importation. The domestic product is sold at 400 pesos (approximately \$91.16 Canadian) per metric ton (of 2,204 pounds). Carbide powder is also sold to acetylene manufacturers at 240 pesos (approximately \$54.70) per metric ton.

The Mexican import duty on calcium carbide is 150 pesos (approximately \$34.20) per metric ton gross weight. Annual consumption in Mexico is estimated at 3,000 metric tons.

In order to compete with the domestic product, calcium carbide from Canada would have to sell at under 250 pesos (approximately \$56.97) per metric ton c.i.f. Mexico.

## TRADE OF JAPAN DURING 1940

C. M. CROFT, COMMERCIAL SECRETARY

### I—General

(The value of the yen during 1940 was approximately 26 cents Canadian.)

Tokyo, April 4, 1941.—As the publication of Japanese trade statistics has been discontinued since last October, it is unfortunately impossible to review the foreign trade of Japan for the calendar year 1940 in any detail. Except for a brief summary of total trade figures for the year, the following report is limited consequently to trade during the first nine months.

### MAIN TRADE FIGURES FOR 1940

A statement was made during the recently concluded session of the Imperial Japanese Diet to the effect that the export trade of the Japanese Empire (including Japan Proper, Chosen, Taiwan and Nanyo) in 1940 amounted in value to 3,972,400,000 yen, an increase of 39,480,000 yen or one per cent over the 1939 level, and that imports were valued at 3,709,035,000 yen, an increase of 581,574,000 yen or 18.6 per cent over those in the preceding year.

With respect to exports, it is of interest to observe that during each of the first seven months of 1940 the value was higher than in the corresponding month of 1939 and that in each of the last five months the 1940 level was below that in 1939. The value of imports was generally higher in 1940 than in the previous year, the monthly figures showing that only in May and June were the values lower.

The following table shows exports and imports by months for 1940 and 1939 with the percentage increase or decrease:—

*Japan's Exports by Months in 1940*

	1940 1,000 Yen	1939 1,000 Yen	Inc.+ Per Cent	Dec.—
January . . . . .	236,425	176,863	+ 23.7	
February . . . . .	314,409	230,129	+ 36.6	
March . . . . .	368,079	283,805	+ 29.7	
April . . . . .	352,743	250,100	+ 41.0	
May . . . . .	403,801	345,701	+ 16.8	
June . . . . .	344,655	330,822	+ 4.2	
July . . . . .	359,168	345,053	+ 4.1	
August . . . . .	317,225	377,059	— 15.9	
September . . . . .	277,202	382,956	— 27.6	
October . . . . .	316,567	351,751	— 10.0	
November . . . . .	330,580	388,564	— 14.9	
December . . . . .	351,546	470,117	— 25.2	
Total . . . . .	3,972,400	3,932,920	+ 1.0	

*Japan's Imports by Months in 1940*

	1940 1,000 Yen	1939 1,000 Yen	Inc.+ Per Cent	Dec.—
January . . . . .	279,754	214,879	+ 30.2	
February . . . . .	331,847	261,029	+ 27.1	
March . . . . .	379,847	281,848	+ 34.8	
April . . . . .	296,812	238,911	+ 24.2	
May . . . . .	300,601	310,117	— 3.1	
June . . . . .	267,585	284,005	— 5.8	
July . . . . .	281,943	263,876	+ 6.8	
August . . . . .	286,386	246,287	+ 16.3	
September . . . . .	281,611	219,163	+ 28.5	
October . . . . .	314,734	247,012	+ 27.4	
November . . . . .	308,128	228,713	+ 34.7	
December . . . . .	379,784	331,621	+ 14.3	
Total . . . . .	3,709,035	3,127,461	+ 18.6	

## VOLUME AND VALUE OF TRADE, JANUARY-SEPTEMBER

The official figures covering the trade of Japan Proper for the nine months ended September 30, 1940, show the total trade as valued at 5,235,264,799 yen. This was the highest recorded in the past decade with the exception of the 1937 period, when the nine-months' trade was valued at 5,423,726,295 yen.

The high level of the 1940 trade was due largely to exports, which were valued at 2,743,222,734 yen. This figure was greater than that for the corresponding period of any year and was 11.8 per cent above the 1939 period and 208.5 per cent higher than for the nine months of 1931. Imports were valued at 2,492,042,065 yen, which was 15.3 per cent above the value for the 1939 period, 158 per cent higher than in the first three-quarters of 1931, and higher than for any previous period except in 1937, when they were worth over three billion yen.

Thus the visible balance of trade for the nine months of 1940 was 251,180,669 yen as against 293,149,269 yen for the 1939 period, a reduction of 14.3 per cent. It should be noted that the statistics quoted above include trade with the yen-bloc countries, which contributes little to the balance of international payments.

The increased value of the foreign trade of Japan was due to some extent to increased prices, a fact shown by the summarized statistics of the volume of trade, although there may have been changes in the nature of the commodities concerned.

Merchandise exported during the first nine months of 1940 included 1,012,033 weight tons (of 2,240 pounds) each and 5,808,958 cubic tons (of 40 cubic feet) as against 1,278,255 weight tons and 6,799,467 cubic tons in the 1939 period, thus showing decreases of 20.8 per cent in weight tons and of 14.6 per cent in cubic tons. It is of interest to observe that the exports during the first three



quarters of the first year of the past decade, 1931, amounted to 1,547,025 weight tons and 2,734,419 cubic tons; the trade in the period under review was thus lower by 34.6 per cent in weight tons but higher by 112.4 per cent in cubic tons.

Imports during the nine months ended September, 1940, amounted to 13,019,852 weight tons and 7,061,249 cubic tons as compared with 13,078,293 weight tons and 7,306,706 cubic tons in 1939, thus showing a small decrease of 0.4 per cent in weight and of 3.3 per cent in volume. It is of interest to compare also these figures for the 1940 period with those for the nine months of 1931, which were 6,030,354 weight tons and 7,731,961 cubic tons. Thus the imports of commodities during the nine months of 1940 calculated on a weight basis increased 115.9 per cent over the 1931 period, while those imported on a measurement basis decreased 8.7 per cent.

The increase in the exports of commodities on a volume basis and the expansion of the imports of those on a weight basis affords evidence of the trend of trade; namely, that the exports of such commodities as yarns, textiles, food-stuffs, etc., and the imports of heavy materials, such as ores, metals and minerals, which are carried on a weight basis, have increased.

#### TRADE WITH YEN-BLOC COUNTRIES, JANUARY-SEPTEMBER

Exports from Japan to the yen-bloc countries of Manchukuo, Kwantung Leased Territory and China during the first nine months of 1940 were valued at 1,461,611,077 yen as compared with 1,230,913,640 yen for the corresponding period of 1939, thus showing an increase of 18.7 per cent. Imports into Japan from those countries during the period under review were to the value of 570,728,370 yen as against 503,361,182 yen, an increase of 13.4 per cent.

The exports to the yen-bloc countries amounted to 53.3 per cent of the total value of the exports for the 1940 period as against 50.1 per cent for the 1939 months, and yen-bloc countries supplied 22.9 per cent of the total imports during the first nine months of 1940 and 23.2 per cent in the corresponding period of 1939.

*Exports.*—The following table sets forth the values of the exports to the yen-bloc countries during the nine-month periods ended September, 1940 and 1939:—

	Jan.-Sept., 1940 Yen	Jan.-Sept., 1939 Yen	Inc. + Dec. — Per Cent
Manchukuo . . . . .	463,990,037	367,261,483	+ 26.8
Kwantung Leased Territory . . . . .	485,671,065	542,147,639	— 10.4
China . . . . .	511,949,975	321,504,518	+ 59.2
North China . . . . .	308,027,500	196,038,773	+ 57.1
Central China . . . . .	184,291,312	115,562,716	+ 59.5
South China . . . . .	19,631,163	9,903,029	+ 98.2
Total . . . . .	1,461,611,077	1,230,913,640	+ 18.7
	Per Cent	Per Cent	
Proportion of total exports . . . . .	53.3	50.1	

Summarized principal exports to yen-bloc countries were valued as follows: Scientific instruments, machinery, vehicles and parts thereof, 321,760,206 yen (249,625,143 yen in the 1939 period); yarns, textiles and textile manufactures, 305,382,757 yen (240,556,823 yen); beverages, comestibles and tobacco, 231,701,678 yen (185,847,798 yen); minerals, metals and metal products, 178,289,337 yen (205,596,773 yen); oils, chemicals dyes, drugs, medicines and toilet preparations, 142,808,401 yen (113,083,286 yen); wood and wood manufactures, 87,650,359 yen (82,549,265 yen); paper and paper products, 74,044,340 yen (74,888,371 yen).

*Imports.*—The following table shows the imports into Japan from the yen-bloc countries during the first nine months of 1940 as compared with the corresponding period of 1939:—

	Jan.-Sept., 1940 Yen	Jan.-Sept., 1939 Yen	Inc.+ Dec.— Per Cent
Manchukuo.. . . . .	282,347,337	301,107,409	— 6.2
Kwantung Leased Territory.. . . . .	45,430,101	45,085,597	+ 0.7
China .. . . . .	242,950,932	157,168,176	+ 54.6
North China .. . . . .	140,661,042	106,250,395	+ 32.4
Central China .. . . . .	89,916,094	46,653,130	+ 92.7
South China .. . . . .	12,373,796	4,264,651	+190.1
Total .. . . . .	570,728,370	503,361,182	+ 13.4
	Per Cent	Per Cent	
Proportion of total imports .. . . . .	22.9	23.3	

Japan's purchases from China, Kwantung Leased Territory and Manchukuo consist largely of agricultural and animal products; imports of these in the period under review were valued at 172,309,554 yen (185,078,586 yen). Values of other principal groups were: minerals, metals and metal products, 99,083,926 yen (58,611,649 yen); yarns, threads, cordages and materials, 97,780,743 yen (72,587,863 yen); manures, 58,279,492 yen (70,983,495 yen).

### BALANCE OF TRADE

It was pointed out earlier in this report that the total exports of Japan during the nine months ended September, 1940, exceeded the total imports by some 251,180,669 yen as compared with 293,149,269 yen for the corresponding period of 1939. It was also pointed out that any favourable visible balance of trade with the yen-bloc countries contributed little to the acquisition of foreign exchange. Thus to obtain a more correct picture of Japan's trading position the trade with countries outside the yen-bloc must be considered.

The exports to the latter countries during the first nine months of 1940 were valued at 1,281,611,657 yen and the imports from those countries at 1,921,313,695 yen, making an excess of imports of 639,702,038 yen. Corresponding figures for the first three quarters of 1939 were: Exports, 1,222,956,010 yen; imports, 1,657,359,199 yen; and excess of imports over exports, 434,403,189 yen. While exports to countries outside the yen-bloc in the period under review increased in value, the imports increased at a greater rate; thus the trading position was less favourable in September, 1940, than was the case in the preceding year. No information is available as to gold production or exports, nor are there any recent statistics on the invisible trade; consequently it is not possible to comment on the balance of international payments.

### TRADE BY PORTS

Japan's foreign trade passes very largely through the three ports of Yokohama, Kobe and Osaka, and during the nine months of 1940 no less than 83 per cent of the volume of exports and 76.9 per cent of that of imports were handled through these channels. These percentages compare with 82.8 per cent of the exports and 76.1 per cent of the imports in the corresponding months of 1939.

Of the value of exports during the period under review, 29.4 per cent went out of Osaka, 28.4 per cent out of Kobe and 25.2 per cent out of Yokohama. With respect to imports, Yokohama handled 31.2 per cent of the value; Kobe, 27.2 per cent; and Osaka, 18.5 per cent.

### SUMMARY

To attempt any forecast as to the future of Japanese trade at present, it is felt, would be useless owing to the uncertainty and obscurity of the international situation. The European War has had considerable effect both on exports from and imports into Japan. Many of the export markets which previously absorbed

large quantities of Japan's exports are now cut off. Similarly, several countries from which Japan purchased raw materials have no supplies available now for export or the lines of communication are disrupted. Japan, therefore, is looking more and more to countries in the Pacific for markets and for supplies.

As regards trade with Canada, a market certainly exists in Japan for Canadian materials but under the conditions now existing Canada is unlikely to be able to cater to that demand. At the same time the measures for the conservation of foreign exchange by Canada have affected materially the market in Canada for Japan's exports. It can not be said, then, that the prospects are bright for trade between Japan and Canada.

## II—Imports by Commodities: January-September

The total value of imports into Japan during the first nine months of 1940 was 2,492,042,065 yen. Of this amount, 49.2 per cent consisted of raw materials; 24.4 per cent of manufactures for further use in manufacturing; 11.9 per cent of articles of food, drink and tobacco in their natural state; 2.1 per cent of food, drink and tobacco, wholly or partly prepared; 11.6 per cent of articles wholly manufactured; and 0.8 per cent of miscellaneous articles.

The following table shows the value of the imports of the principal classes of commodities during the first nine months of 1940 as compared with the corresponding period of 1939:—

### *Imports of Principal Commodities*

	Jan.-Sept., 1940	Jan.-Sept., 1939	Inc.+ Per Cent
	1,000 Yen	1,000 Yen	Dec.—
Ores and metals . . . . .	583,454	616,424	— 5.3
Cotton . . . . .	396,921	331,324	+ 19.8
Oils, fats and waxes . . . . .	237,307	196,085	+ 21.0
Chemicals and drugs . . . . .	172,473	126,289	+ 36.6
Machinery and parts . . . . .	155,345	198,877	— 21.9
Beans and peas . . . . .	86,499	96,993	— 10.8
Coal . . . . .	85,543	52,978	+ 61.5
Sheep's wool . . . . .	85,319	61,836	+ 38.0
Manures . . . . .	67,231	70,509	— 4.6
Cellulose pulp . . . . .	48,449	42,234	+ 14.7
Vegetable fibres . . . . .	29,515	26,877	+ 9.8
Wood . . . . .	28,215	23,755	+ 18.8
Oil-yielding seeds . . . . .	28,033	22,797	+ 23.0
Indian corn . . . . .	22,634	22,933	— 1.3
Hides and skins . . . . .	22,615	25,903	— 12.7

In the following notes the imports by groups are surveyed briefly, the total values shown being for the January-September period of 1940 (with 1939 totals within parentheses). It should be noted that little information is available as to quantities of goods imported and that no details are published as to sources of supply; consequently any observations in this connection are based on the trade of previous years.

*Plants and Animals (Living).—*Total 1,644,276 yen (1,372,217 yen). There were no horses imported in the 1940 period, although 41 were purchased in the corresponding months of 1939. The other imports were under the heading of "all other" and were valued at 1,643,676 yen (1,225,075 yen). Sheep may have been imported to some extent, as encouragement is being given to such importations to attain self-sufficiency in wool.

*Grains, Flours, Starches, etc.—*Total, 324,249,537 yen (160,924,407 yen). The leading item in this group is soya beans, which were valued at 60,986,673 yen (74,313,372 yen). Imports of small beans amounted to 13,679,144 yen (14,716,232 yen); ground nuts (peanuts) were valued at 7,990,503 yen (4,518,076 yen); and "other" beans and peas accounted for 3,842,871 yen (3,445,720



yen). The imports of all classes of beans and peas dropped in quantity to 8,391,696 cwt. for the period under review from 15,453,368 cwt. in the corresponding months of 1939. Millet of various kinds was imported to the extent of 1,251,294 cwt. valued at 9,937,787 yen as compared with 2,277,149 cwt. worth 12,181,740 yen in the 1939 period. Purchases of Indian corn were 4,644,044 cwt. to the value of 22,634,431 yen (4,971,573 cwt., 22,933,947 yen). Oil-yielding seeds were imported to the extent of 2,046,092 cwt. as against 2,650,534 cwt.; included were sesame seed valued at 9,281,371 yen (5,274,022 yen); hemp seed, 8,871,459 yen (3,680,485 yen); linseed, 2,167,876 yen (313,777 yen); rape seed, 1,909,561 yen (nil); cotton seed, 1,615,123 yen (667,932 yen); perilla seed, 1,573,802 yen (10,523,512 yen); and other oil-yielding seeds to the value of 2,614,309 yen (2,338,125 yen).

There was a sharp increase in the imports of wheat flour, which amounted to 286,480 sacks (of 49 lb.) valued at 1,295,968 yen as compared with 33,434 sacks valued at 98,974 yen during the nine months of 1939. Unfortunately it is not possible to indicate the sources of supply of this flour but Canada shared to some extent at least in the expanded market. Imports under the general heading of "other grains, etc." were valued at 175,848,659 yen as against 5,918,493 yen, this very large increase being mainly due, it is believed, to larger purchases of rice and wheat.

*Beverages, Comestibles and Tobacco.*—Total, 53,372,002 yen (36,614,466 yen). The commodities thus specified accounted for only a small portion of the total imports, under this heading, the imports shown as "other beverages and comestibles" being valued at 49,894,045 yen (31,062,309 yen). Salt comprised 95 per cent of the imports under this heading in 1939 and it is believed that the same proportion applied to the period under review, the salt coming from China and Manchukuo. Imports of coffee showed a considerable increase to 5,194,725 lb. valued at 1,572,414 yen as compared with 2,308,610 lb. worth 625,558 yen in the 1939 period. Although coffee may be regarded as a non-essential the increased importations may be explained by the fact that the coffee concerned comes from Brazil, where it is grown largely by Japanese nationals. Fresh beef was valued at 1,163,990 yen (3,434,765 yen). Salted fish imports were valued at 600,082 yen (616,425 yen). Canada supplies large quantities of salt herring. Imports of alcoholic liquors amounted to 139,351 yen (119,156 yen), while tobacco entries were down to the very low level of 618 yen (693,049 yen).

*Skins, Hairs, Bones, Horns, Tusks, Shells and Manufactures.*—Total, 32,147,520 yen (39,831,186 yen). The outstanding item in this group was hides and skins to the value of 22,615,439 yen (25,903,278 yen). These come principally from China, the United States and Argentina. Other items were animal hairs, animal bones, shells of mollusca, leather and leather manufactures, and furs.

*Oils, Fats, Waxes and Manufactures Thereof.*—Total, 237,307,582 yen (196,085,542 yen). It is impossible to give anything in the nature of a survey of the trade in this class of commodities as 98 per cent of the imports, having a value of 232,691,984 yen (190,848,837 yen), is included as "other oils, fats, waxes and manufactures" and undoubtedly consists largely of mineral oil imported from the United States, Netherlands India and British Borneo. The only items of importance which are specified are vegetable and wood oils to the value of 1,637,035 yen (1,935,568 yen), and paraffin valued at 1,616,281 yen (1,946,867 yen).

*Drugs, Chemicals, Medicines and Explosives.*—Total, 172,473,275 yen (126,289,655 yen). Gum and gun resins are the most important commodities imported in this group, the purchases for the period under review being 889,585 cwt. valued at 53,974,299 yen (1,187,468 cwt., 43,121,108 yen), a decrease of 25.1 per cent in quantity but an increase of 25.1 per cent in value. Sulphate

of ammonia was imported to the extent of 117,893 metric tons valued at 18,162,955 yen (67,169 metric tons and 6,659,993 yen), which was a substantial increase in both volume and value. Soda ash accounted for 1,896,961 yen (1,316,052 yen). "Other" drugs, chemicals, medicines, explosives and compounds thereof were imported to the value of 98,439,060 yen (75,192,502 yen), and consisted to a large extent of potassium chloride, sulphate, and nitrate. Gums and gum resins usually come from the Straits Settlements, British Malaya and Netherlands India, while sulphate of ammonia is mostly imported from Kwantung Leased Territory.

*Dyes, Pigments, Coatings and Filling Matters.*—Total, 8,113,368 yen (7,577,938 yen). The only commodity specified is lacquer, which was imported to the extent of 17,878 cwt. valued at 2,238,088 yen as compared with 24,040 cwt. worth 1,301,386 yen in the 1939 period, thus showing a decrease of 25·6 per cent in volume but an increase of nearly 72 per cent in value. The lacquer comes chiefly from China and French Indo-China. The balance of the imports of this class, namely the unspecified dyes, pigments, etc., usually come from the United States and Germany.

*Yarns, Threads, Twines, Cordages and Materials.*—Total, 525,867,492 yen (434,678,654 yen). Under this classification are some of the principal items of imports, some of the raw materials for Japan's textile industry, namely: cotton from the United States, British India, China, Brazil and Egypt, and wool from Australia, China, etc. The imports of raw cotton during the nine months ended September, 1940, amounted to 8,038,142 cwt. valued at 396,921,485 yen as compared with 9,950,633 cwt. to the value of 331,324,076 yen. Although the quantity imported thus dropped 19·2 per cent, the value increased 19·8 per cent. The imports of sheep's wool totalled 838,742 cwt. valued at 85,319,695 yen as against 877,966 cwt. worth 61,836,610 yen in the corresponding months of 1939, a decrease of 4·5 per cent in quantity but an increase of 38 per cent in value.

Vegetable fibre is another important item, including principally flax, China grass, ramie, hemp, jute, Manila hemp, and similar fibres from Manchukuo, China, British India and the Philippine Islands. During the first nine months of 1940 the imports of such fibres totalled 1,345,796 cwt. valued at 29,515,750 yen as against 1,394,676 cwt. worth 26,877,718 yen in the 1939 period, thus showing a decrease of 3·5 per cent in volume but an increase of 9·8 per cent in value. Waste or old fibres accounted for 9,335,348 yen as compared with 9,481,858 yen; old stockings comprised the bulk of this trade. The only other item specified was that of cocoons to the value of 2,990,335 yen (467,283 yen) from China.

*Tissues and Manufactures Thereof.*—Total, 4,241,163 yen (1,944,269 yen). This trade is small, although an increase occurred despite the control of imports. Included are tissues of wool, flax, silk, and cotton and manufactures thereof, each of which was imported to a value of less than 100,000 yen in the nine months.

*Clothing and Accessories.*—Total, 23,607 yen (149,431 yen). The imports of commodities in this group are negligible, due largely to local production and the import restrictions.

*Pulp, Paper, Paper Manufactures, Books and Pictures.*—Total, 50,955,580 yen (45,405,816 yen). Imports of pulp represent approximately 95 per cent of the total imports of commodities in this group. Purchases of pulp for paper-making during the first nine months of 1940 amounted to 483,049 cwt. valued at 7,028,173 yen as compared with 470,913 cwt. to the value of 5,826,979 yen for the corresponding period of 1939, showing increases of 2·6 per cent in quantity and 20·6 per cent in value. Pulp for the manufacture of artificial silk was imported to the extent of 2,484,457 cwt. valued at 41,420,985 yen as against



2,214,456 cwt. worth 36,407,264 yen in the relative period of 1939, thus showing an increase of 12.2 per cent in volume and of 13.8 per cent in value. Although information on the point is not available, it is known that most of the pulp has come from the United States, Canada, and Manchukuo, particularly since the outbreak of the war in Europe with the resultant difficulty in obtaining supplies from the Scandinavian countries. Paper imports are very small and amounted in value to only 462,251 yen (513,217 yen), accounted for almost wholly by packing paper to the value of 255,338 yen from Canada and imitation parchment paper worth 200,276 yen from Germany, Norway and Sweden. Books, periodicals and pictures accounted for 1,241,029 yen (1,405,997 yen).

*Minerals and Manufactures Thereof.*—Total, 171,907,000 yen (112,247,820 yen). Coal is the most important commodity included in this group and during the period under survey was imported to the extent of 3,152,206 tons (of 2,240 lb.) valued at 85,543,095 yen as compared with 2,608,570 tons worth 52,978,800 yen in the nine months of 1939. Coal comes almost wholly from China, Manchukuo and French Indo-China. Dolomite and magnesite imports amounted to 5,427,222 cwt. at 12,321,745 yen (6,093,692 cwt., 6,461,907 yen); these come largely from Manchukuo and Kwantung Leased Territory. Coke, chiefly from the United States and Netherlands India, accounted for 5,912,728 yen (4,949,398 yen); imports of clay which comes from China and Manchukuo, were placed at 5,215,302 yen (4,928,764 yen). Talc and soapstone imports were valued at 2,120,951 yen (1,371,825 yen). The imports of "other minerals and manufactures thereof" were valued at 60,793,179 yen as against 41,557,126 yen; included in this general grouping were phosphorite and asbestos, which are believed to be the second and third largest individual items in this general classification. Phosphorite comes from the United States, the Straits Settlements, Egypt, Gilbert and Ellice Islands and Society Islands, while asbestos comes principally from Canada, the United States, South Africa and Rhodesia.

*Glass, Glass Manufactures, and Clay Manufactures.*—Total, 1,761,629 yen (3,085,392 yen). The import trade in commodities of this class is always small owing to domestic industries but the trade control measures in force have reduced it to a minimum. The only items specified are fire bricks and plate and sheet glass.

*Ores and Metals.*—Total, 583,454,984 yen ((616,424,138 yen). There was a slight decrease of 5.3 per cent in the imports of ores and metals in the period under review, due to increased local demands in several of the supplying countries. No information of any kind is available as to the classes of ores and metals being imported nor of the sources of supply. As an indication of the general nature of the trade in the past it may be said that Japan has been buying iron ores largely from China, British Malaya, Philippine Islands and Australia; zinc ores from British India; other ores from British India and Chile; platinum from Russia; iron and steel from the United States, Manchukuo, British India, Germany, Belgium and Great Britain; aluminium from Canada and Switzerland; lead from Canada, Mexico, British India and the United States; copper from the United States and Canada; tin from the Straits Settlements, China and Hongkong; zinc from Canada, Australia and the United States; nickel from Canada, Great Britain and the United States; mercury from Italy and Spain; antimony from China; and brass and bronze from the United States. There have, of course, been some changes in the sources of supply within the past two years and the above summary is intended only as a guide to the normal sources of supply.

*Metal Manufactures.*—Total, 4,302,042 yen (4,155,089 yen). In this group the imports are small because the policy of Japan is to buy the raw materials and manufacture the goods with the labour and power which is normally in ample supply. The principal items specified are nails, screws, bolts, nuts, rivets and the like to the value of 688,582 yen (598,343 yen); mechanics tools and



agricultural implements, 299,944 yen (195,155 yen); iron cylinders for compressed gases, 291,701 yen (649,438 yen); and cocks and valves, 214,653 yen (639,703 yen). The remainder of the import value, namely 2,807,162 yen, was included as "other metal manufactures."

*Clocks, Watches, Scientific Instruments, Firearms, Vehicles, Vessels and Machinery.*—Total, 178,008,433 yen (231,887,651 yen). The imports under this classification may be divided into two sub-groups. The first includes: vehicles, vessels, and parts thereof, which were imported to the value of 11,966,560 yen (31,193,671 yen), this decline being accounted for to a large extent by the virtual cessation of the imports of automobiles; scientific instruments and parts thereof, 5,062,629 yen (752,478 yen); telegraphic instruments, 2,823,740 yen (524,889 yen); and watches, clocks and parts thereof, 605,838 yen (538,973 yen). In the second sub-group are included machinery such as turbines, imported to the value of 1,391,287 yen (118,449 yen), and electrical equipment, 487,702 yen (81,311 yen); and items under the general heading of machinery and parts thereof, imports of which were valued at 155,345,968 yen (197,470,262 yen), a decrease of 21·9 per cent which may probably be accounted for by the heavy demand in supplying countries for the types of machines which Japan requires.

*Miscellaneous Articles.*—Total, 125,086,043 yen (125,430,193 yen). There were three outstanding items in this group, namely, manures, wood, and fodder, which accounted for about 90 per cent of the total value of the imports. The purchases of manures for the first nine months of 1940 amounted to 8,877,582 cwt. valued at 67,231,330 yen as compared with 15,294,777 cwt. to the value of 70,509,034 yen for the corresponding period of 1939, thus showing decreases of 41·9 per cent in quantity and 4·6 per cent in value. By far the largest proportion of the manures was accounted for by oil cakes, imports of which totalled 8,380,041 cwt. valued at 61,872,933 yen (14,695,810 cwt. worth 67,474,144 yen).

There was an increase of 18·8 per cent in the value of wood imports. Purchases of pine, fir, cedar and other conifers during the period under review amounted to 249,094 cubic metres valued at 15,312,621 yen as against 211,640 cubic metres to the value of 9,473,703 yen for the nine months of 1939, an increase of 17·7 per cent in volume and of 61·6 per cent in value; the value of coniferous logs and cants imported was 10,105,695 yen (5,518,410 yen) and that of floorings, squares, fitches and boards amounted to 5,206,926 yen (3,892,293 yen). No information is available as to the proportion of the trade which Canada enjoyed. Other wood, believed to be largely rowan from the Philippine Islands, British Borneo and Netherlands India, was imported to the value of 12,903,324 yen in the period ended September, 1940, as compared with 14,281,995 yen for the nine months of the previous year.

The imports of fodder, which comes from Manchukuo, Kwantung Leased Territory and China, were valued at 17,912,378 yen (11,646,353 yen).

### PARCEL POST TO PORTUGAL

Parcel post for Portugal may now be forwarded via New York as well as by way of England, it was recently announced by the Post Office Department. Parcels for Portugal intended for transmission via New York should be legibly marked "Via New York" and forwarded to Montreal to be included in parcel mails which will be made up by that office for despatch via New York.

Parcel post sent via New York will not be accepted for insurance, but the regulations as to packing, customs declarations, prohibited articles, etc., will be the same as those which have hitherto applied to parcels despatched via England.

## BRIEF FACTS AND COMMENT ON TRADE AND INDUSTRY

### SWISS TRADE RECOVERS

Despite all handicaps Swiss foreign trade returns for 1940 were not so bad as was expected. Imports for the year totalled 1,863 million francs and exports 1,315 millions, thus leaving a low adverse balance of 548 millions. It is the result, on the one hand, of the decrease in imports owing to transport difficulties, and, on the other, of the relatively favourable maintenance of exports. Information received concerning activity in industry is not bad at all, and, despite the partial demobilization of the army, unemployment has not risen noticeably. Swiss imports are always higher than exports, as the country possesses no raw materials and not enough foodstuffs, and the maintenance of exports is therefore necessary to assure the country's revictualling. The outstanding features of 1940 are that during the last three months exports exceeded imports, and that exports amounted in December to 143 million francs, the highest figure since October, 1938, when they were 134 millions.—*The Economist* (London).

### ARGENTINE COTTON SPINNING MILLS EXPAND OUTPUT

The cotton spinning-mills in the Argentine Republic have developed to an extraordinary extent during the last decade. In 1930 there were 54,500 spindles in use; by 1934 this figure had risen to 140,000, and by 1939 to 332,000. These establishments consumed 4,800 tons of fibre in 1930, 13,444 tons in 1934 and 34,569 tons in 1939. The value of production for the latter year amounted to approximately fifty million pesos.—*Argentine News*, courtesy of the *Argentine Consul-General, Ottawa*.

### GOLD COAST IMPORTS IN 1940

The total value of imports into the Gold Coast in 1940 was £6,707,275 as against £7,141,789 in 1939. Exports were valued at £13,636,538 as compared with £12,864,472. These figures are exclusive of specie and imports or exports by post or overland.

### JAMAICA'S FOOD PRODUCTION CAMPAIGN

One of the main items of the (Jamaican) Government's agricultural policy laid down at the beginning of the war was "to provide an adequate supply of food for the population." This policy has been continued and expanded and at the end of the year (1940) over 27,000 growers had been registered, involving an area of over 150,000 acres, of which over 50 per cent had been planted. Under this scheme registered growers are guaranteed a minimum price for a specified list of products, the principal of which are corn, peas and beans. While production during the year was not sufficient to wholly replace imports, it is anticipated that this goal will be reached during the coming year. Experiments have been carried out in respect to rice, groundnuts and the soya bean with marked success.—*Canadian Trade Commissioner, Kingston*.

## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### APPLICATION OF NEW GIFT REGULATIONS TO CHARITABLE ORGANIZATIONS

With reference to the notice in last week's issue of the *Commercial Intelligence Journal*, page 681, respecting new regulations limiting gifts despatched to the United Kingdom after June 28 to five pounds, with not more than two pounds of any one foodstuff, Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that charitable organizations will in approved cases be granted individual licences to import gifts of goods of all kinds (except rationed food) in excess of the new weight limitation.

### Ireland

#### HEAVY MINERAL HYDROCARBON OIL DUTY FREE UNDER LICENCE

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that by an Order of the Government of Eire, dated April 15, 1941, and effective April 16, 1941, an open licensing provision has been attached to the duty on heavy mineral hydrocarbon oil. The effect of this Order is that this oil may now be imported duty free under licence, subject to the terms of the Finance Agreement with the United Kingdom.

The duty on heavy mineral hydrocarbon oil entering Eire is as follows:— Full rate, 50 per cent ad valorem; preferential rate (United Kingdom and all Commonwealth countries), 33½ per cent ad valorem.

### South Africa

#### CERTIFICATES FOR HIDES, SKINS OR FURS

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, reports advice received to the effect that fur skins, when imported into the Union of South Africa, should be accompanied by a government certificate stating that they are free from disease. It is to be noted that regulations made on March 3, 1939, under the Diseases of Stock Act prescribed a certificate for an abattoir hide or skin, stating that it was taken from an animal slaughtered at an abattoir under government inspection and that the animal received ante-mortem and post-mortem inspection and was free from anthrax, foot-and-mouth disease, rinderpest and contagious bovine pleuro-pneumonia at the time of slaughter. As regards any other hide or skin, a government certificate is required stating that the hide or skin was derived from a district in which anthrax is not prevalent and in which the other diseases have not existed for a period of twelve months immediately prior to the removal of the hide or skin to the Union of South Africa.

### Australia-Southern Rhodesia Trade Agreement

A trade agreement between Australia and Southern Rhodesia, signed December 23, 1940, was brought into operation by proclamation issued in both countries on April 10, 1941. The terms of this agreement were published in *Commercial Intelligence Journal* No. 1944 (May 3, 1941), page 562.

### Southern Rhodesia

#### ADMISSION OF LADIES' DRESSES

With reference to the article in *Commercial Intelligence Journal* No. 1937 (March 15, 1941), pages 327-8, announcing that Southern Rhodesia had prohibited the importation of certain goods, including "clothing", from countries



outside the British Empire except under special permit, Mr. J. C. Britton, Assistant Trade Commissioner at Johannesburg, South Africa, writes that by a Notice issued on April 18 permission may be given to each importer in Southern Rhodesia to import during the year ending April 30, 1942, ladies' dresses manufactured in the United States to the extent of not more than one-half of the value of such dresses imported by him during the year ended March 31, 1941. Shipments received in Southern Rhodesia on or after May 1, 1941, shall constitute a part of the total to be allowed for the year.

## Barbados

### INCREASE IN CUSTOMS DUTIES

A Barbados law, effective March 4, 1941, increased customs duties on the following goods:—

	Former Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Animal lard . . . . .per 100 lb.	2s. 1d.	8s. 4d.	2s. 6d.	8s. 9d.
Glass bottles . . . . .ad val.	6%	16%	7%	17%
Pitch pine and other wood, except green heart, purple heart, bullet wood, fustic and locust				
Undressed . . . . .per 1,000 super. ft.	2s. 9d.	10s. 9d.	3s.	11s.
Wholly or partly dressed				
per 1,000 super. ft.	3s. 4d.	11s. 4d.	3s. 8d.	11s. 8d.
Staves and shooks . . . . .ad val.	5%	15%	6%	16%
Motor cars, trucks and omnibuses and parts and accessories therefor . . . . .ad val.	11%	26%	13%	28%
Tires and tubes for motor cars, trucks and omnibuses . . . . .ad val.	10%	30%	12%	32%
Tobacco leaf, unstemmed . . . . .per lb.	3s. 4½d.	3s. 4½d.	4s. 8d.	4s. 8d.
Tobacco leaf, stemmed . . . . .per lb.	4s. 6d.	4s. 6d.	6s. 2d.	6s. 2d.
Tobacco, plug, stick or twist . . . . .per lb.	3s. 4d.	3s. 10d.	4s. 7d.	5s. 1d.
Cigarettes . . . . .per lb.	6s. 8d.	8s. 8d.	9s. 2d.	11s. 2d.
Other kinds manufactured tobacco (except cigars and cheroots) . . . . .per lb.	3s. 4d.	4s. 7d.	4s. 7d.	5s. 10d.
Cigars and cheroots . . . . .per lb.	6s.	10s.	9s. 1d.	13s. 6d.
Snuff . . . . .per lb.	1s. 1d.	1s. 4d.	1s. 6d.	1s. 9d.
Beer, ale, stout and porter				
In bottle . . . . .per gal.	7d.	9d.	10½d.	1s. 2d.
In wood . . . . .per gal.	5d.	7d.	8d.	10d.
Sparkling wines . . . . .per gal.	10s.	12s. 6d.	15s. 2d.	18s. 8d.
Other wines . . . . .per gal.	2s. 4d.	3s.	3s. 6d.	4s. 5d.
Brandy and whisky . . . . .per gal.	17s. 6d.	22s. 6d.	26s. 6d.	32s.
Gin and rum . . . . .per gal.	12s. 6d.	15s.	19s.	22s. 6d.
Cordials and liqueurs . . . . .per gal.	17s. 6d.	20s.	26s. 6d.	30s.

### PACKAGE TAX

A Barbados law, effective March 13, increased the package tax from 1d. to 6d. per package. The tax is imposed on all dutiable goods and on the following non-dutiable goods: bay oil, charcoal, firewood, printing and wrapping paper, certain kinds of machinery. Other non-dutiable goods are exempt from tax.

Commodities not contained in a package are subject to the tax in the same manner as if packaged. The following quantities and amounts of such goods are legally deemed to constitute a package:—

Asbestos cement corrugated roofing sheets, 10 sheets; bars and rods of copper or brass, 100 lb.; bars, rods and hoops of iron or steel, 100 lb.; beer in bottles or tins, 72 reputed pints; bricks, tiles and slates, 250 units; buckets, pails and tubs of metal, 6 units; butter and butter substitutes, 100 lb.; cattle and animal foods, bran and pollard, 80 lb., oilmeal and oilcake, 125 lb., other kinds, 100 lb.; cement, 400 lb. gross; charcoal, ½ ton; cocoa, raw, 100 lb.; coal, 1 ton; coffee, raw, 136 lb.; copra, 560 lb.; firewood, 1 ton; fish, dried, salted or smoked, 448 lb.; Dutch stoves, 6 units; flour, wheat or rye, 196 lb.; maize or cornmeal, 98 lb.; corn, 110 lb.; oats, 160 lb.; rice, 180 lb.; lard and lard substitutes, 100 lb.; machinery, 5 cwt.; manures, 560 lb.; meat, canned, 36 lb.; metals, old, brass, copper, iron, lead, pewter, etc.,

560 lb.; milk, condensed, 6 cases of 48 lb. each; crude petroleum, 530 lb.; motor spirits, 60 gallons; kerosene oil, 60 gallons; fuel oils, 560 lb.; paint, 50 lb.; pots, iron or earthenware, 12 units; salt, fine, 190 lb.; coarse and rock salt, 560 lb.; seeds, beans and nuts for expressing oil therefrom, 560 lb.; soap, common, including laundry, polishing and soft-soap, 50 lb.; wood and timber, unmanufactured, 500 superficial feet of 1 in. or less in thickness; naves, felloes, spokes, paling staves, and unsquared posts, 1 dozen; shingles, 1,000; shooks and staves to be manufactured into biscuit barrels or packages of similar size and shape, 72 units; other shooks and staves, 36 units; oxbows, 1 dozen; truss hoops, set of nine.

## St. Lucia

### DUTY EXEMPTIONS

A notice appearing in the *St. Lucia Government Gazette* of May 10, states that the Governor in Council has exempted from duty any articles imported during the war in aid of Red Cross or other approved war charities and any articles sold from bond to the United States authorities in connection with the St. Lucia defence base.

## Peru

### CONTROL OF WHEAT FLOUR FOR BAKING PURPOSES

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, Peru, advises under date May 20, 1941, that a Resolution has been issued by the Peruvian authorities requiring that wheat flour must be mixed with a 10 per cent proportion of rice flour before being sold for baking purposes. The reasons given for the issuance of this decree are that it will assist in reducing the exchange necessary for payment for wheat purchases and at the same time provide a use for the rice surplus of the 1940-41 harvest.

## AMENDMENTS TO ARGENTINE EXCHANGE AND IMPORT CONTROL REGULATIONS

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, May 21, 1941.—The Argentine Exchange Control Board announced on May 17 certain amendments to the import regulations as reported in *Commercial Intelligence Journal* No. 1937 (March 15, 1941), pages 330-2. Under these amendments the commodities listed in the following three groups, as affected by the changes, will be admissible or continue to be admissible from Canada and the United States:—

(a) Transferred from the auction market rate to the non-preferred official rate: Asbestos fibre; asbestos packing; refractories; iron piping not welded, galvanized or not; motors and dynamos (special study in the case of each application for an import permit); galvanized iron wire to No. 14; barbed wire; horseshoe nails; pneumatic tools; sewing machines; pictures, sculpture and art objects. This new treatment will mean a reduction of approximately 10 per cent in the c.i.f. cost of these items to importers.

(b) Commodities which were previously excluded that are now admissible subject to the dollars being purchased in the exchange auction market: Roofing felts; wood-fibre wallboard; coconut oil; carbonate of soda; caustic soda; impure sulphate of copper; gum arabic; resins; wallpaper; sulphate of barium; demar-gum; ferrites; copper and bronze, manufactured, in boxes, etc.; moulded aluminium; natural-thrown silk thread; oak lumber; white pine lumber; plywood; cotton sewing thread; photographic machines; cigarette paper; other sporting goods n.s.; furs.

(c) Commodities which were previously excluded but which are now admitted at the non-preferred official rate: Welded iron piping, galvanized or not; earthenware bath bowls; sanitary bathroom fittings without accessories; vaselines; boats; knife blades; boiler compounds; earths; cotton thread, coloured; files; cork and products. Compounds of soda will be admitted at the preferential rate. Cattle dips will be admissible but subject to previous study in each case.

In future there will be only one rate of exchange in the auction market instead of two rates as previously.

### IMPORT QUOTAS

The Exchange Control Board has just announced the import quotas covering automobiles and parts and farm implements and parts for 1941. A special rate of exchange will be fixed on imports within each of these two groups.

The Argentine Government has set up by decree a new Export Corporation under the supervision of the Argentine Central Bank. The purpose of this corporation is to foster the sale of "non-regular" items of export from Argentina in the dollar area, or mainly the United States. The corporation will have a nominal capital of one million pesos. The board of the new corporation will be selected from the local representatives or branch managers of the leading exporters of the commodities affected by operations of the Corporation. Revenues will come from the difference between the buying rate of exchange for export bills covering the sale of the "non-regular" items exported to the dollar area and the selling rate of exchange as fixed officially for imports of certain lines of machinery and equipment imported from the dollar area. The idea is that the exchange derived from the sale of the regular and more stable items of export from Argentina to the dollar area, such as wool, flaxseed, cattle hides, etc., will be used to pay for the essential items of importation from that area and for the financial services; while certain other items of importation from the dollar area, such as automobiles, that are essential but still can be subjected to import restrictions, will be admitted and paid for out of the dollar exchange derived from the exportation of the other "non-regular" items as covered by the new export corporation, plus any additional exchange that may be made available for the purpose. In this way the volume of imports of certain main items, the purchase of which beyond a given point may be considered a luxury, will be related directly to the ability of Argentina to find a market for new items of export or items that are only exported now in small volume. Imports of luxury or semi-luxury goods are either prohibited entirely or placed beyond the reach of the majority of consumers through the application of an adverse exchange rate in order to raise the landed cost.

### DOLLAR EXCHANGE RATES

Under the present Argentine exchange regulations the following different rates of exchange are now effective in Argentina for the dollar:—

		Pesos per U.S. Dollar
Buying Rates—		
Export bills, "regular" items, fixed . . . . .		3.3582
Export bills, "non-regular" items, fixed . . . . .		4.2289
Non-merchandise transactions, variable . . . . .		4.2250
Selling Rates—		
To pay for imported goods:		
Official, preferred rate, fixed . . . . .		3.7313
Official, non-preferred rate, fixed . . . . .		4.2289
Auction rate, variable . . . . .		4.705
Special fixed rate: automobiles . . . . .		4.55
Farm implements 4.70 (proposed) parts for automobiles and farm implements . . . . .		4.2289
Non-merchandise transactions, variable . . . . .		4.2250



The corresponding rates of exchange for Canadian dollars are based on the cross-rate between the United States and Canadian dollars. The differences between the buying and selling rates represent a profit to the Argentine Government.

Under the new regulations there is an exchange differential of approximately 10 per cent in favour of imports from the sterling area, including Great Britain, as against dollar countries such as Canada and the United States, on a limited number of items. These include iron piping, vaselines, boiler compounds, earthenware, tinplate and cotton thread (preference covers Brazil too). Prior to the war there was a 20 per cent exchange differential in favour of the United Kingdom, Holland, etc., as against Canada and the United States on many items. This was abolished in 1939 but the principle has been introduced again for this limited group of commodities.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 2, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 2, 1941, and for the week ending Monday, May 26, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 26	Nominal Quotations in Montreal Week ending June 2	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2646	.2645	3½
Switzerland . . . . .	Franc	.1930	.2575	.2575	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2280	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2631	.2638	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Colombia . . . . .	Peso	.9733	.6325	.6325	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4604	.4670	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0592	.0588	—
Hongkong . . . . .	Dollar	.....	.2700	.2697	—
India . . . . .	Ruppee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

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J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

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*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

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JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

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### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

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### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

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*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilon.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. Scott, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



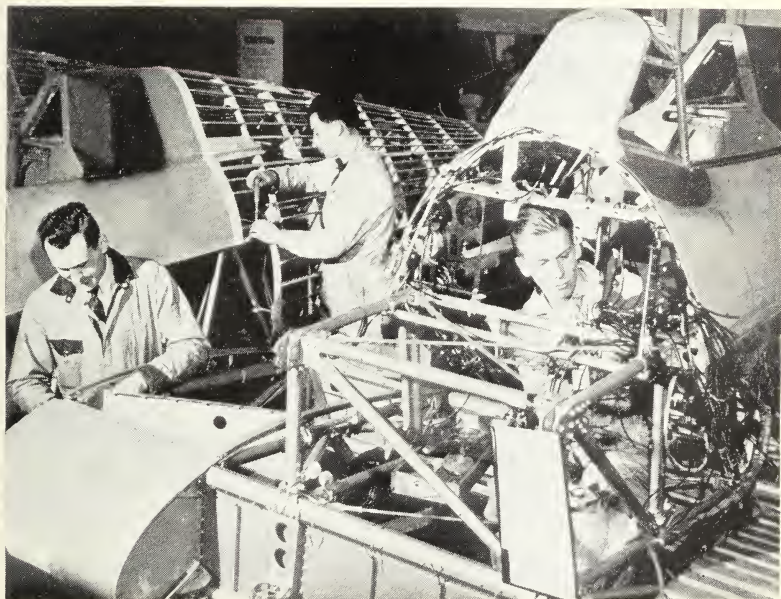
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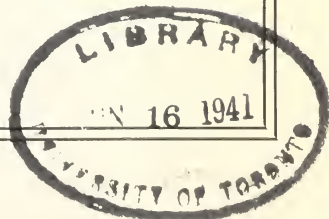
Part of the Primary Assembly Line in the Hurricane Plant  
at Fort William

*Photo—Public Information*

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THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGESS, DEPUTY MINISTER



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## BUSINESS CONDITIONS IN SCOTLAND, JANUARY-APRIL

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

### SHIPBUILDING AND ENGINEERING

Glasgow, May 6, 1941.—A prominent trade-union official recently made the arresting statement that the output per man in the shipbuilding and engineering industry has been almost doubled since the war began. There is no reason to doubt that this is so. It is an indication of the eagerness and enthusiasm of all classes of workers to do their share in this nation's war effort, and of how fully they realize that upon their exertions largely depends the replacement of ships lost by enemy action. This intensive effort is wedded to an equal contribution by the employers, whose organization in the shipbuilding yards and the engineering works has reached a high peak of efficiency. It is expected that output will be even further speeded up this spring and summer.

Acceleration in the production of merchant ships evidently depends largely upon an increase in the supply of labour for the shipyards and for those firms manufacturing marine engines, and for that purpose new sources of supply will have to be tapped. An important step in this connection, which has met with the approval of the shipbuilding industry, was taken in February when the Admiralty, which has been in control of merchant ship construction almost since the beginning of the war, also assumed control of shipbuilding labour. Another is the registration, now completed, of all former shipyard workers (now outside the industry) who drifted into other occupations during the shipbuilding slump of about ten years ago. Many of these men returned to the industry last year but the authorities believe that there are many others now working in non-essential callings.

### STEEL AND IRON

Still greater demands are being made on the steel trade for plates, sections and other material for the shipyards, and heavy engineering industries and iron and steel plants in the Scottish area continue to produce to capacity. Outputs have been taken up for months ahead but reports say these urgently needed materials will soon be augmented by imports from the United States.

The manufacturers of steel sheet have been very busy, the demand for block and galvanized sheet having been very strong for some time.

The pig iron industry is active, but the light castings industry is not so fully employed owing to the slowing down in the building trade, although many foundries are busy on work for government account.

Further extensive demands on the steel trade are in prospect in connection with the scheme for the production of shipping tonnage on the fabricated principle. It is understood that structural engineering concerns are preparing their plans for this work.



### TIMBER TRADE

The timber merchant is now only a vehicle for the passing of the government stocks to the actual consumers, and he merely carries out orders of the Control.

The trade in home-grown timber is developing rapidly and many uses are now being found for it that had never been thought of before. The Canadian Forestry Corps and Newfoundland lumberjacks are engaged in cutting timber in the north of Scotland, and from all accounts their speed of operations is astonishing and their work of great importance in the national war effort.

The saw-mills are working to full or almost full capacity, but it appears that it is difficult for them to give quick enough deliveries on home wood. This wood is in a green condition. Experiments are being made with chemicals to overcome this defect, and merchants who have drying kilns are using them to the fullest extent.

### EAST COAST FISHING

Only light supplies have been forthcoming from the East Coast fishermen since the beginning of the year as a result of the decreased number of vessels employed, the stormy weather and wartime restrictions. However, as prices have remained high, those engaged in this industry have done well.

Price regulation is under consideration. The industry itself, opposed as it is to government intervention, is proposing that all kinds of fish be left with a free market, except Iceland-caught fish, the largest consumer of which is the fried-fish merchant, who would thereby be helped.

The Ministry of Food is satisfied that something will have to be done about the price of fish (one of the unrationed foods) and it proposes to take action if distribution cannot be made at a reasonable price. One of the steps under consideration is the purchase by the Ministry of all fish at the port of landing.

### WHISKY TRADE

There has been a steady turnover in the retail whisky trade during the past three months. It seems as if the restriction imposed on the retailers by the wholesale houses, by which 80 per cent only of a normal year's supplies was allowed, has not been sufficient to cover the demand, especially owing to the increased difficulty of obtaining supplies of other spirits. Nevertheless, many wholesalers of proprietary brands have intimated a further restriction to 65 per cent for a period of six months from March 1. The export trade reports steady business.

### PAPER TRADE

The Scottish paper mills, mainly in the Edinburgh district, are having a difficult time on account of the shortage of raw materials. In normal times these mills use a large proportion of esparto grass from North Africa and Spain, as well as substantial quantities of wood pulp. The shortage of these materials forced a curtailment of operations and compelled the mills to utilize straw as far as possible. But at present straw cannot be obtained in sufficient quantity owing, it is said, to the farmers withholding supplies. Most of the esparto mills have had to close down to some extent from time to time and stocks of paper at the mills and in the hands of paper merchants have dwindled.

Two reasons are given for the failure of farmers to supply the raw material so urgently needed. One is that during the past two severe winters farmers needed the straw for feeding live stock, and the other that they can get an even bigger price by selling for packing and bedding for army horses. One solution, in the opinion of the manager of the largest paper mill in the world for the manufacture of high-grade paper, is to have a fixed price for straw for whatever purpose it is to be used.

No alterations in the prices fixed by the Paper Control have been announced. The prospects immediately in view for this important industry are not very bright.

MR. COSGRAVE ON TOUR OF CANADA

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia (whose territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies), is on tour in the Dominion in the interest of Canadian trade with Australia. Following is his itinerary:—

Montreal and district.. . .	June 16 to 18	Oshawa.. . . . .	June 27 and 28
Sherbrooke and district ..	June 19 and 20	Windsor and district.. ..	July 14 and 15
Ottawa.. . . . .	June 23 to 25	London and district.. . . .	July 16
Kingston and district .. .	June 26		

Firms wishing to be brought in touch with Mr. Cosgrave should communicate for Montreal with the Montreal Board of Trade, and for the other centres with the respective Board of Trade or Chamber of Commerce.

SOUTH AFRICAN IMPORTS OF NEWSPRINT

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One cental equals 100 pounds: all figures pertaining to the weight and value of imports in 1940 may be subject to correction when the official statistics are published.)

Cape Town, April 23, 1941.—While the official statistics are not yet available, it is apparent from preliminary returns that South Africa's imports of newsprint during 1940 were considerably in excess of the preceding year's and were above the general average. Total imports of newsprint in reels was approximately 823,653 centals valued at £480,709 in comparison with 741,443 centals valued at £368,293 in 1939.

The gradual growth of the South African market for newsprint is indicated by the following figures of imports of paper in reels per annum for the last ten years:—

South African Imports of Newsprint in Reels

	Centals	£		Centals	£
1931 .. . . .	263,140	160,952	1936 .. . . .	668,125	278,367
1932 .. . . .	327,799	154,887	1937 .. . . .	794,068	345,085
1933 .. . . .	335,644	155,997	1938 .. . . .	728,892	365,236
1934 .. . . .	356,783	158,086	1939 .. . . .	741,443	368,293
1935 .. . . .	463,050	194,190	1940 .. . . .	823,653	480,709

Apart from newsprint in reels, South Africa is also an importer of newsprint in the flat, consumption of which has tended to decline as the use of roll paper increased. Imports, which in 1934 amounted to 92,153 centals, were reduced to 26,389 centals in 1939 but increased again to 41,639 centals in 1940.

Since the outbreak of war, newspaper publishers report a growth in newspaper circulation. On the other hand, less paper is being used for individual issues, which leaves the volume of consumption at much the same level. Larger stocks are being maintained, however, and consequently purchases have been above normal.

SOURCES OF SUPPLY

Canada is the principal source of South Africa's newsprint, the United Kingdom in some years occupying a fairly close second place. Prior to the war there were also small secondary imports from such countries as Sweden and Finland. Even up to last year these and other European countries supplied

small quantities. Concurrently the United Kingdom ceased to be a competitor, being replaced by Newfoundland, with which country Canada now shares the market. In 1940 approximately 72 per cent of the volume of all imports came from Canada and 22 per cent from Newfoundland.

Details of imports by principal countries during the past three years are as follows:—

*South African Imports of Newsprint by Principal Countries*

	1940		1939		1938	
	Centals	£	Centals	£	Centals	£
Total . . . . .	823,653	480,709	741,443	368,293	728,892	365,236
United Kingdom . . . . .	7,493	3,717	127,735	65,571	308,684	153,951
Canada . . . . .	599,240	355,858	533,537	267,905	413,618	206,768
Finland . . . . .	19,208	7,445	34,337	12,906	791	321
Newfoundland . . . . .	185,298	105,047	20,503	9,876	.....	.....
Norway . . . . .	6,988	4,680	4,000	1,886	43	25
Switzerland . . . . .	1,701	1,060	.....	.....	.....	.....
Sweden . . . . .	1,723	1,075	19,954	9,360	567	253
United States . . . . .	1,023	797	.....	.....	.....	.....
Germany . . . . .	.....	.....	1,377	789	5,189	3,918

Total imports of newsprint, both rolled and flat, during the past five years, were as follows:—

	1940	1939	1938	1937	1936
	Figures in Centals				
Newsprint in rolls . . . . .	823,653	741,443	728,892	794,068	668,125
Newsprint, flat . . . . .	41,639	26,389	21,560	36,926	30,647
Total . . . . .	864,292	767,832	750,452	830,994	698,772

IMPORTS OF FLAT NEWSPRINT

While Canada has always been a supplier of flat newsprint to this market, European countries such as Finland, Esthonia and Sweden were leading competitors. Imports of flat newsprint during 1940 and 1939 according to principal countries of supply were as follows:—

*South African Imports of Flat Newsprint by Principal Countries*

	1940		1939	
	Centals	£	Centals	£
Total . . . . .	41,639	29,532	26,389	13,258
United Kingdom . . . . .	209	283	160	83
Canada . . . . .	30,507	21,785	9,790	5,741
Finland . . . . .	1,574	751	6,051	2,289
Newfoundland . . . . .	3,925	2,681	.....	.....
Norway . . . . .	1,342	1,077	2,283	1,000
Sweden . . . . .	3,316	2,272	5,471	2,856
Esthonia . . . . .	.....	.....	1,583	669
United States . . . . .	696	619	.....	.....

There is no domestic production of newsprint in South Africa. Owing to the comparatively small newspaper-reading population which includes only slightly more than two million white people, consumption is relatively small. However, the Union is likely to continue to be one of Canada's principal secondary markets. Newsprint in reels or in the flat is duty free when imported into the Union of South Africa from Canada, the United Kingdom and Newfoundland; otherwise the rate is 5 per cent ad valorem.



## DISTRIBUTION OF UNITED STATES FOREIGN TRADE, JANUARY-MARCH

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, June 4, 1941.—According to a recent report of the United States Department of Commerce, United States export trade in the first quarter of 1941 was valued at \$986,000,000 as against \$1,068,000,000 in the corresponding period of 1940, a decline of \$82,000,000 or 7.6 per cent. On the other hand, import trade for the period totalled \$730,000,000, an increase of \$71,000,000 or 10.7 per cent over the value of \$659,000,000 in the like period of 1940. The tables which follow indicate the significant changes that have occurred in United States foreign trade since the conquest of France and the Low Countries last year.

### EXPORTS

The following table shows the value of United States exports, including re-exports, to the British Empire and by geographical divisions and principal countries for the first three months of 1941 as compared with the first quarter of 1940:—

	First Quarter	
	1941	1940
	Millions of Dollars	
Total exports . . . . .	986.0	1,068.0
British Empire . . . . .	620.0	401.0
Canada . . . . .	194.9	133.6
United Kingdom . . . . .	289.4	177.8
India . . . . .	26.2	17.4
Australia . . . . .	15.3	26.1
South Africa . . . . .	39.7	18.8
Europe . . . . .	47.0	319.0
Belgium . . . . .	*	18.2
France . . . . .	1.7	119.8
Germany . . . . .	†	†
Greece . . . . .	0.7	11.8
Italy . . . . .	*	27.9
Netherlands . . . . .	....	28.2
Norway . . . . .	....	14.1
Sweden . . . . .	6.7	24.9
Latin America . . . . .	183.0	189.0
Argentina . . . . .	16.9	30.1
Brazil . . . . .	30.0	29.7
Chile . . . . .	10.7	11.0
Colombia . . . . .	12.8	13.9
Cuba . . . . .	25.7	22.1
Peru . . . . .	5.8	6.0
Venezuela . . . . .	10.8	19.2
Mexico . . . . .	30.1	23.9
All other countries . . . . .	136.0	159.0
Japan . . . . .	32.8	62.9
China . . . . .	19.9	25.0
Egypt . . . . .	17.6	5.9
Russia . . . . .	16.4	29.5

\* Less than \$500.

† Germany, including Czechoslovakia and Poland, \$48,000 in the first quarter of 1941, and less than \$500 in the first quarter of 1940.

While exports to the continent of Europe, excluding the United Kingdom, declined by \$272,000,000 for the period under review, exports to the United Kingdom and other British Empire countries increased by \$219,000,000. Shipments to the United Kingdom for the period increased \$111,600,000; to Canada, \$57,000,000; and to other British Empire countries, \$46,100,000.

Shipments to the British Empire accounted for 62.9 per cent of the total exports as against 37.5 per cent in the like period of 1940, while exports to Europe accounted for only 4.8 per cent as compared with 29.9 per cent of the

total in the previous year. In place of the usually large volume of foodstuffs, cotton, tobacco and customary consumer goods moving to Europe, the exports now consist largely of war materials.

The closing down of the European sources of supply has resulted in a heavy increase in the purchase of United States goods by the Latin American countries. Shipments to these countries, totalling \$183,000,000 and accounting for 18.6 per cent of the total exports, were slightly under the total of \$189,000,000 for the first quarter of 1940, but were 50 per cent greater than the corresponding 1939 figures.

Exports to other world areas for the first three months of this year comprised about 14 per cent of the total exports. Shipments to Japan were down \$30,000,000 from the like period of 1940; to China, \$5,100,000; and to Russia, \$13,100,000.

### IMPORTS

The following table shows the value of United States imports from the British Empire and by geographical regions and principal countries for the first quarter of 1941 as compared with the like period of 1940:—

	First Quarter	
	1941	1940
	Millions of Dollars	
Total imports . . . . .	730.0	659.0
British Empire . . . . .	316.0	258.0
Canada . . . . .	107.6	81.2
United Kingdom . . . . .	16.8	5.9
Malaya . . . . .	85.7	59.9
Australia . . . . .	26.4	5.8
New Zealand . . . . .	2.1	1.2
South Africa . . . . .	11.7	11.3
Europe . . . . .	32.0	93.0
Belgium . . . . .	2.5	15.1
Germany (Czechoslovakia and Poland) . . . . .	1.7	3.0
France . . . . .	0.8	2.3
Greece . . . . .	1.7	4.2
Italy . . . . .	0.08	9.1
Netherlands . . . . .	0.07	4.9
Norway . . . . .	....	5.0
Sweden . . . . .	0.7	12.4
Latin America . . . . .	228.0	162.0
Argentina . . . . .	35.4	30.9
Brazil . . . . .	40.3	24.3
Chile . . . . .	22.1	10.9
Colombia . . . . .	12.3	13.8
Cuba . . . . .	36.9	28.5
Peru . . . . .	4.3	4.3
Uruguay . . . . .	16.8	5.9
Venezuela . . . . .	14.7	7.5
Mexico . . . . .	24.2	19.1
All other countries . . . . .	154.0	146.0
Japan . . . . .	29.0	39.5
China . . . . .	20.0	22.8
Russia . . . . .	7.0	3.2
Netherlands Indies . . . . .	43.4	29.9

Imports from the continent of Europe, excluding the United Kingdom, amounted to \$32,000,000, a decline of 65.5 per cent from the 1940 figures. Previous to the war the continent of Europe furnished about 20 to 25 per cent of the total United States imports.

Imports from British Empire countries totalled \$316,000,000, accounting for 43.3 per cent of the total imports and being \$58,000,000 or 22.5 per cent over the total for the like period of 1940. Imports from the United Kingdom were up \$10,900,000 or 184 per cent; Canada, \$26,400,000 or 32.1 per cent; British Malaya, \$33,800,000 or 65 per cent; and Australia, \$20,600,000. The increases were primarily accounted for by larger imports of rubber and tin from British Malaya, wool from Australia, and newsprint, nickel and other commodities from Canada.

Imports valued at \$228,000,000, accounting for 31 per cent of the total United States imports, from the Latin American countries during the first quarter of 1941 showed the largest relative gain of all the trade regions and were 41 per cent above the figure for the first quarter of 1940. Substantial gains were registered in imports from Argentina, Brazil, Chile, Venezuela and Mexico. The commodities showing the largest gains were coffee, wool and copper.

Among "other countries", imports from such countries as Netherlands Indies, French Indo-China, Thailand, Iraq and Belgian Congo made substantial increases, while imports from Japan declined 26 per cent and from China 12 per cent.

POINTS FOR EXPORTERS TO THE BRITISH WEST INDIES  
(EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ACTING TRADE COMMISSIONER

[The following report is a revision of the report under the same title published in *Commercial Intelligence Journal* No. 1863 (October 14, 1939) and reprinted in pamphlet form. Since publication of the earlier report various war-time regulations and restrictions affecting trade have been introduced in the British colonies included under this title. This revised report deals with these as they affect imports from Canada and also contains more recent trade and other statistics than the earlier report. It will be reprinted shortly for separate distribution.—Editor.]

Port of Spain, May 22, 1941.—The British colonies included under this title are a group of islands extending from Puerto Rico in a semi-circular line down to the north coast of South America. From north to south they consist of the Virgin Islands; the Leeward Islands, with the Presidencies of St. Christopher-Nevis (including Anguilla), Antigua (including Barbuda), Montserrat, and Dominica; the Windward Islands, with the Presidencies of St. Lucia, St. Vincent, and Grenada (including Carriacou); Barbados; Trinidad and Tobago. British Guiana, on the mainland of South America, lying east and a little south of Venezuela, is usually linked with this group.

CLIMATE, AREA, AND POPULATION

The Virgin Islands are situated about 19 degrees north of the equator, and the southern tip of British Guiana almost touches the equator, so that the climate of these colonies varies from semi-tropical to tropical in Trinidad and British Guiana. Rains in the form of heavy tropical showers occur throughout the greater part of the year, and even in the comparatively dry months of January, February, and March the humidity is relatively high. In British Guiana there is also a dry period in September-October. Tropical diseases are prevalent, but the cities and towns are for the most part free from infection.

The island colonies are outcroppings of a submerged mountain range of volcanic and coral formation. Areas and populations as at December 31, 1938, are recorded as follows, including British Guiana:—

	Area Sq. Miles	Population
Virgin Islands (Tortola) . . . . .	21	6,288
St. Kitts-Nevis, including Anguilla . . . . .	152	37,579
Antigua, including Barbuda . . . . .	170	35,123
Montserrat . . . . .	32	13,670
Dominica . . . . .	304	50,617
St. Lucia . . . . .	238	69,084
St. Vincent . . . . .	150	58,381
Grenada, including Carriacou . . . . .	133	89,415
Barbados . . . . .	166	193,082
Trinidad and Tobago . . . . .	1,980	464,889
British Guiana . . . . .	89,480	337,521
Total . . . . .	92,826	1,355,649



The inhabitants are predominantly coloured, Trinidad having a more cosmopolitan assortment. Here and in British Guiana a large group is comprised of East Indians. Barbados, it will be observed, is by far the most densely populated, averaging 1,150 to the square mile, while British Guiana is thinly inhabited owing to its wide area of virgin land in the interior. Barbados too, which is uniformly of coral formation, flat and without tropical foliage, is probably the most healthful of all the colonies and one of the most popular tourist centres.

### RESOURCES AND INDUSTRIES

With a few noteworthy exceptions, the resources of these colonies consist entirely of tropical agricultural products, chief among which is sugar-cane, and industry is confined to the processing of the various crops. After sugar come cocoa, coconuts, citrus fruits, bananas, spices, arrowroot, sea-island cotton, and a great number of small fruits and vegetables. From these products are manufactured grey crystal sugar, molasses, rum, canned grapefruit hearts and juice, lime oil, coconut oil with its manufacture of soap, and the less extensive operations of cocoa fermenting and copra and spice-drying. In addition, Trinidad's oil industry is the largest in the British Empire, producing almost 18,000,000 barrels of crude oil in 1938, while the famous Pitch Lake is an unlimited source of crude asphalt. In British Guiana rice is grown extensively as a supplement to sugar which is the main crop, while bauxite is the Colony's principal mineral product, followed by gold and diamonds. Greenheart timber and lumber are milled in moderate quantities.

### FOREIGN TRADE

With the mass of the population engaged in agricultural pursuits on a low wage scale, purchasing power is limited, and the markets are confined chiefly to necessities and low-quality goods, luxury and high-class articles finding only a small outlet. This general statement is modified in respect of Trinidad's oilfield equipment and supplies, estate machinery, and government purchases. The establishment of United States Army and Naval Bases in Trinidad, Antigua, St. Lucia and British Guiana is also increasing the demand for better-class products.

Each colony has one chief port through which trade passes, chief among which are Port of Spain, Trinidad; Georgetown, British Guiana; and Bridgetown, Barbados. From Port of Spain especially, and Barbados, there is a great volume of transshipment trade to the northern islands. Much of this transshipment cargo, as well as inter-island trade, is carried by small independent schooners. The ports of Castries (St. Lucia), St. George's (Grenada), Port of Spain (Trinidad), and Georgetown (British Guiana) have docking facilities; at all the other ports, and for certain vessels at St. George's, Grenada, the cargo must be loaded or unloaded from lighters.

Statistics of the foreign trade of the colonies in this territory for 1939, in which figures for imports do not include bullion and exports consist of domestic exports only, are shown in the following table:—

*Statistics of Foreign Trade in 1939*

Colony	Total	United Kingdom	Canada	United States
Trinidad and Tobago—				
Imports . . . . .	\$34,762,954	\$12,442,672	\$ 5,039,903	\$ 8,861,863
Exports . . . . .	35,731,557	14,843,648	2,630,306	1,285,243
British Guiana—				
Imports . . . . .	10,945,881	4,841,699	1,950,679	1,545,249
Exports . . . . .	13,460,988	4,426,140	7,393,994	429,652
Barbados—				
Imports . . . . .	£ 2,445,753	£ 913,408	£ 416,843	£ 377,382
Exports . . . . .	1,885,944	767,165	979,907	69,988

Colony	Total	United Kingdom	Canada	United States
Grenada—				
Imports . . . . .	275,855	110,940	48,777	31,289
Exports . . . . .	263,000	110,627	43,512	79,475
St. Vincent (1938 figures)—				
Imports . . . . .	198,782	84,928	34,006	26,758
Exports . . . . .	206,160	83,568	15,771	74,282
St. Lucia (1938 figures)—				
Imports . . . . .	189,253	71,180	32,874	35,653
Exports . . . . .	126,640	39,529	66,008	6,786
Dominica—				
Imports . . . . .	103,431	41,456	22,593*	15,867
Exports . . . . .	48,573	7,191	11,072*	19,456
Montserrat—				
Imports . . . . .	41,387	14,028	14,164*	6,052
Exports . . . . .	53,186	40,027	5,030*	2,150
Antigua—				
Imports . . . . .	219,987	81,446	51,182*	28,869
Exports . . . . .	208,874	150,182	55,814*	10,398
St. Kitts—				
Imports . . . . .	289,512	102,145	66,917*	45,184
Exports . . . . .	425,352	326,669	91,694*	111
Virgin Islands—				
Imports . . . . .	15,960	1,752	1,124*	3,476
Exports . . . . .	10,727	700	.....	.....
Totals in dollars at \$4.80 to the £—				
Imports . . . . .	\$ 63,852,451	\$18,705,654	\$10,295,286	\$13,145,656
Exports . . . . .	64,689,133	26,592,973	16,114,578	2,975,595
Total trade . . . . .	\$128,541,584	\$45,298,627	\$26,409,864	\$16,121,251

\* Figures for British North America.

In 1939 the United Kingdom supplied 29·2 per cent of the total imports and received 41 per cent of the total exports; Canada, 16·1 and 24·9 per cent; United States, 20·5 and 4·5 per cent respectively; and these proportions accounted for 66 per cent of the total imports and 70·6 per cent of the total exports of these Colonies.

### COMMUNICATION SERVICES

There is no international telephone communication with any of these colonies, the systems being purely local, but efficient cable service is maintained. Five air-mail deliveries a week to and from Trinidad and Canada via the United States are operated by the Pan American Airways. Antigua and British Guiana are the only other two colonies served. Within the territory there is also a regular plane service between Trinidad and Barbados by the British West Indian Airways.

While no c.o.d. service exists, parcel post plays an important role in the delivery of merchandise to the British West Indies. *In this connection it is pointed out that such shipments sold on a cash-against-documents or documents-on-acceptance basis should be addressed to the order of the bank, since a parcel addressed to the purchaser will be delivered regardless of the terms of sale.* To facilitate customs assessment, a copy of the invoice and of the certificate of origin should be enclosed with the parcel. Description and value of contents and name of sender should be indicated on the outside of the parcel.

### CUSTOMS TARIFFS

Each island and British Guiana have individual customs tariffs, although they all follow the same principle in that they consist of a general schedule of rates for foreign countries and a British preferential schedule of rates for Canada and all Empire countries. Most of the rates are on an ad valorem basis, but there is a great number of specific duties. In addition, all colonies except St. Vincent impose surtaxes varying in amount. In the Windward and Leeward Islands the guaranteed preference, i.e. the difference between the general and British preferential rates, amounts to 33½ per cent, while in Trinidad, Barbados

and British Guiana this preference amounts to 50 per cent. Moreover, there are stipulations regarding the Empire content required for specified products in order to qualify for British preferential treatment. In Trinidad, British Guiana, Grenada, St. Lucia, St. Vincent, and Dominica the customs duties are based on the c.i.f. value, while in the remaining colonies in this territory the duty is calculated on the f.o.b. value.

Details concerning rates and other tariff information may be obtained upon application to the Department of Trade and Commerce, Ottawa.

### RESTRICTIONS

All import orders are subject to licence by the Competent Authority in each colony. Most imports from Canada are allowed, although certain non-essential items and those for which local substitutes may be obtained have been either prohibited or placed under quota. Full details of these restrictions and quotas may be obtained on application to the Department of Trade and Commerce, Ottawa.

Agents are required to produce an approved order when applying for exchange for payment and when clearing goods through the customs. Shippers, therefore, should assure themselves that any order received has been passed by the Competent Authority. Usually the importer can supply a copy of the approved order or the licence number upon request.

### DOCUMENTATION

In addition to commercial invoices, at least two copies of approved customs invoices including certificates of origin must be supplied with documents covering shipments to this territory. These approved customs invoice forms may be purchased from any commercial stationer. Importers also expect that all shipments will be covered by an insurance policy.

In view of the variation in tariff treatment in the individual colonies, it is advisable to itemize separately freight, insurance, war-risk insurance, and handling and incidental charges.

For convenience in clearing through customs, the number of each case of merchandise should be listed on the invoice together with an itemized statement of the contents.

Certificates of origin are necessary not only to secure British preferential tariff rates but also to permit entry of shipments into these colonies. Under existing licensing arrangements, only those products which have sufficient British Empire content (25 or 50 per cent according to product) will be licensed for importation as made in Canada.

### PACKING

Packing should be particularly sturdy, consistent with the nature of the goods, because of the rough handling by irresponsible labour in the course of numerous transfers due to lighterage. Another essential feature is that goods be adequately protected against the humid tropical climate, perishable goods should have ample ventilation if they are not sealed in airtight containers. The humidity is a condition which deserves special consideration. In Trinidad, goods are not required to be removed from the customs warehouse for ten days (three without charge) before being placed in bond, and quick deterioration is likely where perishable goods are closely stacked and under pressure.

Goods can be placed in local cold storage warehouses where this is necessary.

There are no special packing requirements, but packages should be marked with the consignee's name, address, mark, shipper's name, and gross weight. If more than one package comprises a shipment, they should be numbered consecutively.



## CURRENCY AND BANKING

Although all the colonies except Trinidad and British Guiana maintain their accounts in sterling, the currency throughout the territory is the West Indian dollar, equivalent to 4s. 2d., giving a value of \$4.80 for the pound sterling, and exchange therefore fluctuates with sterling.

Barclays Bank (D.C. & O.) maintains branches in each of the islands, except Montserrat and the Virgin Islands, and in British Guiana, while the Royal Bank of Canada has two branches in Trinidad and one in each of the other areas except St. Lucia, St. Vincent and the Virgin Islands. The Canadian Bank of Commerce has branches in Trinidad and Barbados.

English is the only official language, and the imperial system of weights and measures is in force.

## QUOTATIONS AND TERMS

In most instances it is preferable to quote c.i.f. port of destination, and Canadian exporters must at least quote f.a.s. seaboard. For parcel post shipments, of course, the f.o.b. price is sufficient, but the postal rate should be indicated. Quotations must be in Canadian funds or pounds sterling, as the use of United States currency is restricted severely in order to conserve exchange. Canadian sales tax does not apply to export shipments. Consignment shipments are to be deprecated except in rare instances such as certain cases of introductory offers.

The markets in this territory customarily demand 15- to 30-day terms documents on acceptance, but since the war there is a noticeable tendency on the part of shippers to insist on sight-draft terms documents on payment, and in certain instances on letters of credit. Letters of credit are not usually acceptable to leading firms, who prefer terms with a cash discount and invariably take advantage of the discount. In some specialized trades such as flour, terms are sight-draft documents against payment.

It should be emphasized that, as there are many poor risks and unreliable importers, Canadian firms interested in these markets should make careful inquiries through their bankers or the Department of Trade and Commerce as to the credit standing of any unknown correspondents. There is a tendency also to make claims on the slightest provocation, particularly in the provision trade, and exporters should be governed accordingly and refrain from giving loose guarantees. In local courts an accepted draft is proof of debt, but in the event of non-payment for goods received independent of a draft acceptance the exporter must lodge the complaint and personally give evidence before criminal proceedings can be instituted.

## DISTRIBUTION AND REPRESENTATION

As already indicated, there are three chief markets, the inhabitants of which have a low purchasing power. Moreover, situated as they are at the cross-roads of transportation, competition is extremely keen, and business is done on a strictly price basis. Distribution is largely through the services of commission agents, whose number is much too large for the size of the markets; this again tends to reduce selling prices. It is essential, therefore, that care be exercised in appointing agents and to ensure that they do not carry competitive lines but at the same time are in touch with the particular trade involved and, finally, that their clients are good accounts. There are no wholesale jobbers, so that retailers themselves are frequently agents. This is a pernicious practice, for many good agencies are tied up by one retailer, with distribution obviously limited to that outlet. At the same time, by eliminating commission, competition for exporters of similar lines offered through an agency is rendered that much more difficult. It should be borne in mind, however, that the spread between cost prices and

retail prices is abnormally wide, explained by the high percentage of bad consumer accounts.

Several of the large retailers are financed by organizations in England that purchase the bulk of their requirements, and this is particularly true of dry goods. These tie-ups, nevertheless, do not preclude local firms from purchasing at competitive prices, especially since the outbreak of war. A specific example of this is purchases by Trinidad's oil companies, whose equipment and supplies are largely obtained through their head offices abroad, although much material is purchased locally.

Consequently, unless the product is such that only one or a few items are saleable at a time, when direct consumer canvassing may be advisable, the commission agent is the medium through which volume business is placed. A number of the larger commission houses have branches in several of the colonies and employ a staff of salesmen, each specializing in one line or group of allied lines. Other houses are located in one or the other of the larger colonies and periodically canvass the remainder. In other instances sub-agents are appointed, but usually this is not to be encouraged, since a split commission is a minimum incentive, and the house holding the agency does little to earn its share.

It is recommended that Canadian firms first establish connections in Trinidad and, if reasonable success is achieved, separate agents should then be appointed in British Guiana and Barbados, with possibly the agent for the latter colony being also given the Northern Islands as part of his territory, or still another agent may be appointed in Grenada to cover the small islands as a separate territory. Depending on the nature of the goods, there are, of course, exceptions to such an arrangement, but in general the territory can only be adequately covered by having resident agents in the principal markets. The practice of maintaining travelling salesmen who visit the territory once or twice a year from Canada does not develop a sufficiently close contact with importers. Little business is promoted through export agents or buying agents abroad, since importers feel they are paying extra commissions and the tendency is to avoid increasing costs.

When connections are established, illustrated catalogues, and samples if possible, are invariably necessary; agents expect samples of value to be supplied at a 25 per cent sample discount.

#### BUSINESS CONTACTS AND ADVERTISING

Few Canadian firms appear to be interested in obtaining a first-hand knowledge of the British West Indies markets. Very few representatives visit this territory, even though the personal contact value is universally appreciated and need not be stressed. With the available steamship services, travellers can visit each district at a comparatively low outlay and, in addition to promoting business relationships, enjoy a tropical holiday.

In the majority of the colonies there are no restrictions affecting commercial travellers, but in Antigua a licence fee of £5 per firm per year is chargeable; in Barbados the fee is £5 per six months, in Dominica it is £2 per individual per visit, and in St. Lucia it is £1 per year. The purpose of these fees is ostensibly to protect the shopkeepers from pedlars who market their wares with no overhead expenses. The fees are applicable only to a traveller actually booking orders within the colony. If the firm which the traveller represents has an established agent in the particular colony, no licence is necessary. Samples of value are dutiable, but duties are refunded when the samples are taken away.

Early in the new year, immediately after stocktaking has been completed, is the most suitable time for travellers to visit this territory. Not only is this the Easter buying period, but it coincides with the dry season and is more pleasant from the individual's point of view.

Advertising is available through the newspapers, printed circulars, lantern slides, or premiums. Art sign work is very amateurish, so that advertising material and display cards, etc., are best prepared abroad. Advertising in the daily newspapers is the most popular means of reaching the masses, and rates are reasonable. Arrangements can be made with the telephone and electricity companies to insert circulars with their monthly bills, and the motion-picture theatres show slides prior to the performances. The distribution of premiums, in the form of sets to be completed, is very popular among the natives. When advertising is considered advisable, the representative is commonly allowed an appropriation for this purpose.

#### MARKET PECULIARITIES

Government departments are obliged to place their requisitions through the Crown Agents in England, and Canadian firms, in order to make sales, are required to supply the Crown Agents with catalogues and quotations. While a local agent can endeavour to induce the department concerned to requisition for goods manufactured by a certain Canadian company, this procedure is a decided handicap to Canadian interests in sharing government purchases. If a product can be supplied only by Canada from within the Empire, a direct sale may be effected.

Reliable credit information can only be obtained from bank sources and, with the standard of business ethics generally low, it is again stressed that great caution be exercised in trade dealings.

The French islands of Guadeloupe and Martinique, French Guiana, and Dutch Guiana are also included within the territory assigned to the Canadian Trade Commissioner at Port of Spain. Due to unsettled conditions arising from the war, there is little prospect at present of any business with the French colonies, although there is some prospect of business in Dutch Guiana. However, firms interested in these territories are requested to communicate with the Trade Commissioner as well as in respect of any service that can be rendered in connection with the whole field. There are occasional differences peculiar to the individual markets which are not dealt with in this general survey.

### MARKET FOR CALENDARS AND CHRISTMAS NOVELTIES IN MEXICO

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, May 27, 1941.—The bulk of the calendars, Christmas cards, and Christmas decorations formerly imported into Mexico came from Europe. There is, however, a small local production. Of late years the demand in Mexico for these articles has increased, particularly for Christmas supplies, owing to the gradual adoption of the methods of celebrating the Christmas season in the United States. This began in Mexico with gifts to the children, and has now extended to the exchange of greeting cards between adults. Christmas trees are now set up in Mexican homes. Detailed figures for imports and local production of Christmas novelties are not available.

Many of the calendars distributed by Mexican firms to their customers are made from imported lithographs, generally from Italy and Germany. There is, however, a local lithographic production, and some calendars are also exported from Mexico to the United States and Central and South America. The Mexican duty on imported calendars is 3 pesos per legal kilo (31 cents per pound).

#### IMPORTS FROM CANADA

Some lithographed pictures for artistic calendars are imported from Canada, although the prices are over 200 per cent higher than those of Mexican



products on account of duties and exchange. The market for Canadian supplies is therefore small. In order to enter this market exporters should supply a few samples in their main sizes and most attractive designs, together with prices. These samples should reach Mexico by October of the year preceding that for which the calendars are printed, as it is at that time that local travellers begin to canvass the market. In Latin countries pictures of female figures are preferred to landscapes.

Lithographic pictures are also used on box tops for candies, etc. The small domestic market does not offer sufficient inducement to local producers to make up a suitable assortment of subjects for this trade, and there is, therefore, a small outlet for imported pictures for this purpose.

As the custom of exchanging Christmas cards is now becoming increasingly popular in Mexico and as it is likely that Christmas cards printed in England will be less plentiful for the coming season, an opportunity is afforded Canadian manufacturers of Christmas cards and New Year's greeting cards of entering the market. It would be necessary for them to send a small selection of samples, with their best prices. Owing to the Mexican duty of 3 pesos per legal kilo on Christmas cards, the market is limited.

With the coming into use of Christmas trees in Mexico, some houses are now decorated for the holiday season. This custom has been adopted by wealthy Mexicans from observing children's gay Christmas parties in the homes of foreign residents. Samples and prices of Christmas decorations should arrive in Mexico not later than the end of July. The Mexican duty on Christmas decorations is 3 pesos per legal kilo.

It must be borne in mind that this trade is the result of a new development in Mexico. It is probable, however, that the festive celebration of Christmas by Mexicans will tend to expand, and even among the peons there should be an increasing demand for cheap Christmas decorations and other holiday novelties.

## MEXICAN MARKET FOR INFANTS' FOODS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, May 30, 1941.—On account of the difficulty of obtaining well-known brands of infants' food products from Europe, Canadian exporters are afforded an opportunity of entering the Mexican market for these products. There are, however, certain preliminary requirements to be complied with.

### GOVERNMENT REGULATIONS

First, a representative in Mexico must be named to register the product which it is proposed to introduce on the market with the Mexican Department of Health. Secondly, an officially registered chemist must be nominated in Mexico to represent the exporter before this department. This is an essential requirement but one that is easily complied with, as there are a number of reliable chemists who will act as representatives for a nominal fee. The necessary form must be filled out in triplicate and forwarded to the Department of Health with the following: (1) two samples of each product to be placed on the market; and (2) two samples of each label, pamphlet, notice, booklet, and of all other commercial publicity matter which is to be or might be used in connection with the product to be sold. All these samples and copies of publicity items must be filed with the Department, together with a certified copy of the firm's sales licence in Canada.

The officially registered chemist who is nominated by the exporter's agent is required to make an analysis of the exporter's products and submit it to the Department as a true analysis of the product to be imported. This is checked

by the government laboratory. Exporters should, of course, supply copies of their analyses to the agent.

The weights indicated on the tins must be expressed in kilos and grams, and under no circumstances may a tin be sold on which the weight is shown in pounds. The usual practice in Mexico is to have the analysis, the name of the product, instructions for use, weight, name and address of the representative, name of the responsible chemist, and the Mexican Department of Health's registration number printed in Spanish on labels which are attached to the tins on their arrival. Publicity may be in any language, but it must also be in Spanish.

#### METHOD OF INTRODUCING NEW PRODUCTS

There are a number of child specialists in Mexico, and it would be necessary, in order that the product to be introduced may become well known, that these specialists be supplied with sufficient samples to interest them. These samples must be given free by the exporter, and should be distributed by his agent to the more important doctors and hospitals. As a considerable number of these people are not conversant with English, publicity must be made available in Spanish. It is therefore better, for this market, that it be printed in both languages on the same leaflets, although this is not absolutely necessary.

Probably the best method of introducing baby foods is to have the agent keep in close touch with one store, informing the doctors that this firm handles the goods exclusively. This is all the more necessary to-day in Mexico, because at least 70 per cent of the drug stores are in the hands of Germans.

There are good sales prospects for foods for frail and premature babies, as well as for pre-digested foods.

### ECONOMIC CONDITIONS IN MEXICO

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, May 24, 1941.—In the first quarter of 1941 the new Government of Mexico did not attempt to solve the outstanding economic problems that retard Mexico's industrial development. There remain still unsolved the labour problem, the petroleum expropriations, and the agrarian reorganization, besides numerous other difficulties. Until confidence can be restored, and foreign capital can obtain some assurance of security for its investment, the present unsatisfactory state of affairs will continue, and prosperity remain just short of attainment.

New problems have recently arisen that have by no means alleviated the difficult task the present regime faces. In some ways Mexico is at the crossroads. In addition to the old problems, there are now to be financed new commitments for defence purposes in connection with agreements concluded with the United States. There is also a growing scarcity of raw materials for local industries, brought on by the war. In addition the international situation has become complicated by the Mexican seizure, despite the protests of the German and Italian ministers, of a number of enemy ships laid up in Mexican harbours since the beginning of the war. Another factor, which needs careful handling, is the unsatisfactory state of the tourist trade, in spite of the fact that the war has precluded thousands of American tourists from making their annual trip to Europe.

#### SHORTAGE OF RAW MATERIALS

The problem that a number of reprocessing factories in Mexico have to face is either curtailment or possibly entire suspension of operations, because of the acute scarcity of certain primary materials. For example, the difficulty of obtaining rubber for the rubber-tire factories has been acute for some weeks past, and a crisis was only averted with the recent arrival of 200 tons of crude



rubber, consigned to the Cía. Hulera Euzkadi, S. A., and the Cía. Hulera "El Popo," S. A. As a result, the local tire factories have decided to pool their orders.

The building industry is likely to be affected by a shortage of constructional metal material. Some of the smaller iron foundries are already affected by the difficulty of obtaining graphite crucibles. The beverage industry is dependent on foreign metal caps. The luxury trade in women's shoes depends on imported leathers. The woollen industry, in order to operate at a capacity approaching normal, has to import wool tops from Australia and also combed wool. Tin plate supplies are short.

In view of this situation, the Mexican Minister of Finance instructed local bank executives to investigate the problem. The conclusion reached by the committee was that, if the local factories do not take the ordinary precautions to obtain sufficient stocks for the future, it will be only a short time until a large number of them will have to close down because of the lack of imported raw materials. If this occurs, many subsidiary smaller industries dependent on the larger industries will have to close down also. The problem is complicated by the fact that the small capitalization of the average Mexican factory makes it doubtful whether or not such factories, without financial assistance from the banks, would be capable of buying any considerable stocks of the necessary primary materials from abroad, even if they were able to obtain them.

In view of the fact that importation of articles that are indispensable to Mexican industrial manufacturers is becoming more and more controlled by the countries of origin, the National Chamber of Commerce states that the scarcity of raw materials will result in complete cessation of operations of the factories or at least in the restriction of their activities, since European supplies of raw materials are largely becoming exhausted. Orders for raw materials from the United States have not solved this important problem for Mexico, because the Government of the United States is restricting the exportation of products necessary for war purposes.

The National Chamber of Commerce of Mexico further reported that there is great difficulty in securing the few articles that can still be imported, since importers must obtain permits at least two months in advance, and the raw materials required usually arrive after long delay and in very limited quantities. Many Mexican industrialists could obtain chemicals and mineral products, as well as wood, from Japan, but this course had to be abandoned, because the Japanese products were of poor quality. It is suggested by the National Chamber of Commerce of Mexico that the Mexican Government, through its ambassador in Washington, should expedite deliveries, and that the Government of Mexico should also endeavour to eliminate delays.

The root of this problem is, of course, that Mexican industry is not based on sound economic principles. Many of the factories are merely engaged in reprocessing semi-manufactured and raw materials imported from abroad, and are protected in the case of many products, such as tires, silk stockings, etc., by a high tariff. Few factories in Mexico use raw materials that are produced locally. The Director General of the Bank of Mexico expressed the opinion that to manufacture articles from raw materials produced in Mexico would be helpful. He considers that a desideratum for the country's economic emancipation would be the establishment of basic industries necessary to supply many industrial products that at present are being imported. This, however, would require the investment of enormous amounts of capital that are not to be found in Mexico and that it would be difficult to obtain from abroad under present conditions. The Director General of the Bank of Mexico also alluded to one of the regulations of the last regime, which grants franchises to newly formed industries whereby they can import for a certain period free of duty the necessary machinery and other raw materials from abroad. He points out how thoroughly uneconomic this procedure is, as such industries, with their fiscal



exemptions, use materials which, with few exceptions, are semi-manufactured abroad. This makes them tributaries of the larger industrial countries, which in such abnormal times as the present renders them particularly liable to be affected by the restrictions in those countries.

The Director General of the "National Financiera," recommends that manufacturers in Mexico requiring raw materials should hasten to place their orders, otherwise their sources of supply will be closed. In order that his advice may be put into practice, he recommends that private banks and official institutions of credit grant importers their full support, so that they may purchase such reserves as are indispensable to the avoidance of an acute industrial crisis; and in addition a production crisis with its accompanying unemployment problems.

The General Manager of the Bankers' Association of Mexico, in his recommendations, refers to the support extended by labour authorities to labourers whenever they ask for an increase in wages. This action on the part of labour prevents employers in Mexico from laying by any savings. This, again, prevents them from renewing their equipment, from enlarging it, and from obtaining credit, as no bank will lend money to a business that is not allowed to make profits, as such a business could not repay the loan. He states that this also tends to frighten away foreign investors.

#### INCREASE IN CURRENCY CIRCULATION

At present the monetary circulation in Mexico amounts to 1,435,700,000 pesos, according to official reports issued in March, 1941. The amount in circulation shows an increase of 33,500,000 pesos in the first quarter of 1941. This is largely due, it is claimed, to the imports of new capital. Certainly Mexico has benefited both financially and industrially by the immigration of a number of refugees from European countries. In January, 1941, Mexico's funds amounted to 1,402,200,000 pesos. The influx of new capital has been going on slowly for several months. It is claimed that it is due, in addition to the European war, to growing confidence in the administration of the new President. The increase of 33,500,000 pesos in the first quarter of the year is due in part to the issuance of new bank notes, as there were 420,600,000 pesos in paper currency in circulation in January, and 428,200,000 pesos in March. According to official reports, the total of 1,435,700,000 pesos in circulation is partly distributed as follows: bank notes, 428,200,000 pesos; deposits in the Bank of Mexico, 243,500,000 pesos; deposits in other banks, 442,700,000 pesos; and in silver and small change, 321,300,000 pesos.

#### AGRICULTURE

The Bank of Mexico states that the present agricultural situation is discouraging. Rainfall was insufficient in the western zone (Guadalajara), affecting the corn crop. The bean harvest, however, was good. In Colima there were no crops, and the irrigation sowings were smaller than last year. In the Bajío the corn crop was poor. The bean harvest dropped 65 per cent as compared with last year, and the wheat sowings were poor owing to lack of moisture. The late corn crop was poor in the north of Mexico, and crops in the central and southeast sections of the country are not generally promising.

By a motion sent recently to Congress, the new President has provided for a change in the land ownership system, creating individual property instead of the "ejido" or common holdings. This change will have to be effected slowly, and when attained may improve agricultural production when (1) small property becomes a fact and (2) a method for granting agricultural credit is organized. Until then the farmers are chiefly in the hands of the land officials, and this situation is far from satisfactory from the point of view of the public welfare. There is not enough money to take care of agricultural labour. As an official

credit institution stated some time ago: "the present resources scarcely suffice to furnish credit to a small number of tenants who have received land. Therefore the good ejidos must be selected." Since the good ejidos are in the minority, this action impairs the foodstuffs stocks and prices. While trade transactions fall, the cost of living goes up.

### INDUSTRIAL SITUATION

Manufacturing slightly improved in the first quarter of 1941. The war, which has throttled the extractive or mining industry, has indirectly helped a number of local manufacturers, as it has relieved them of European competition.

The condition of the cotton textile industries has improved, owing to increased sales; increased working hours in Puebla proves this. Higher prices are said to be largely responsible for this increased activity, as it anticipates a future lack of raw materials. Wholesalers are largely responsible for this buying, in order to make a profit from the consumer when the inevitable price rise comes. Such a price rise is not likely to be welcomed if crops are poor and the middlemen may have to carry their stocks for some time.

The woollen industry has experienced the same difficulties. Nevertheless transactions were brighter during the first quarter of 1941 than for the same period of last year. Further, it is hoped that a new collective labour bargaining system may stabilize dissatisfied Mexican labour in this trade. This will be possible only if the obligatory duration of the collective bargaining is increased from two to five years.

Sales in the shoe industry improved during the months of February and March by 35 per cent. This is largely due to the fact that prices have not risen, and the consuming public, fearing a rise, have bought.

In the rubber industry business has been particularly good. In the month of March sales were higher than during the same period of last year. The shortage of raw rubber is bound to have repercussions in this industry, and wise buyers are laying in stocks.

With an increase in building and construction activities, the local steel industry is brisk. However, there is a shortage of constructional steel, and this may render the building industry entirely dependent on local sources of supply, which are insufficient. This will lead to a gradual slowing-up in building. The building industry also helped sales of furniture and of doors and window sash. The latter are now manufactured in Mexico on a large scale for local needs. The war has favoured the local chemical industry also, as foreign drugs and materials are fast disappearing from the retailers' shelves.

### EXTRACTIVE INDUSTRY

The local mining industry is still under the war cloud. It lacks its old European markets and has been unable to secure new ones of the same capacity and quality. If anything conditions have grown worse of late. The one branch of the mining industry that is prospering is that producing mercury, owing to large Japanese purchases at high prices. In view of this heavy demand and the high prices obtained, the Federal Government has sent to Congress a bill imposing taxation on mercury.

Metallurgical production in January of this year was as follows: gold and silver production went up as compared with January, 1940; copper and zinc were lower; lead was higher. So far as exports are concerned, those of gold, lead, and zinc were down, while those of silver and copper increased. Gold production reached 2,600 kilos (of 2.2 pounds); silver, 272,100 kilos; copper, 2.7 million kilos; lead, 19.9 million kilos; and zinc, 7.5 million kilos. Exports aggregated 800 kilos of gold; 215,500 kilos of silver; 5.7 million kilos of copper; 12.1 million kilos of lead; and 6.9 million kilos of zinc.

In the oil industry, the labour court ordered a readjustment of personnel. Immediately the labour organizations proposed a strike as a protest, but the strike did not take place on April 1 as arranged. It is now agreed that, under the workers control, certain changes and adjustments in personnel will be made in defined areas. The Federal army was retired from occupation of the oil fields when the strike was called off. Nothing is known officially about new contracts or orders for oil, despite various announcements in the press. Mexico hopes that the United Kingdom will resume diplomatic relations and buy oil from Mexico.

### SUGAR PROBLEM

Mexico could be one of the greatest sugar-producing countries in the world, if it did not lack capital and if it had disciplined labour. It is said that the Mexican cane has a high sucrose content, running up to 18 per cent as compared with 12 per cent for Cuban cane. The sugar shortage, such as just occurred in Mexico, is the result of bad management. At a recent meeting of the National Union of Sugar Producers it was stated that sugar production for the years 1937, 1938, and 1939, coincided "perceptibly" with consumption. In 1940 production was only 290,000 tons instead of 337,000 tons, while consumption went up from the expected 336,000 tons to 362,000 tons. The reasons for the poor crop in 1940 were climatic and the agrarian reform of the Cárdenas regime. This agrarian reform interfered with the crop by redistributing lands. The sugar plantations, which had been producing before the Cárdenas regime, were now distributed among needy persons, and consequently production dropped. The National Union of Sugar Producers aims at an annual production of 450,000 tons, to cover a probable consumption of 430,000 tons, and to retain 20,000 tons as a regulating stock. To arrive at this figure, the Union suggests: (1) that the authorities, besides assuring maximum areas of sugar cultivation, improve the agricultural systems in force; (2) that credit be opened to promote sowings; (3) that plantations co-operate; (4) that cane producers and plantation owners collaborate to enlarge crops; (5) that the Federal Government grant fiscal exemptions for imports of machinery and parts for the mills; and (6) that, since the Government controls the price of sugar, it should also control the price of cane and the amount of wages paid.

### CINEMAS AND RADIO STATIONS

As compared with Argentina with 2,400 cinemas, Mexico had 849 active theatres on May 10, according to the local press. This figure, of course, includes only cinema houses that are run with full official authorization, payment of taxes, regular government inspection, etc. Some complaint in the Mexican film industry has been caused by the so-called invasion of Argentine films. While Argentinian pictures pay only a Mexican duty of 100 pesos, Mexican films are assessed 800 pesos Mexican currency in the Argentine. It is hoped that these difficulties will be ironed out, as Mexico is becoming film conscious and is desirous of developing its own film business to a considerable extent. It is said that lately the Mexican studios are on the upward swing in production.

On May 1, 1941, the number of active radio stations in Mexico was 104, of which 26 are in the capital. This number includes all stations, official, commercial, and cultural, and those under state, municipal, and government control. In 1930, when radio together with the film industry was put on a commercial basis in Mexico, there were only 12 radio stations in operation, of which only 5 were commercial. To-day Mexico has more radio stations than the combined number in many European countries.



## MARKET IN BRAZIL FOR WHITE CEMENT

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, May 16, 1941.—Although Brazil is practically self-supporting in the matter of coloured cement, there is a considerable importation of white cement, such as is used for finishing and dressing concrete buildings and works. Before the outbreak of war Germany was the principal supplier, and since the war the greater part of the requirements have been obtained from the United States and Great Britain. In 1938 a total of 4,426 metric tons (of 2,204 pounds) were imported, of which 1,520 tons came from Germany and 1,711 tons from the United States. Denmark, France, Great Britain, Italy and Japan supplied small quantities. In 1939 imports amounted to 6,145 tons, 50 per cent of which was imported from the United States. There was a decrease to 4,341 tons in the amount imported in 1940. Of this total, 2,548 tons were obtained from the United States and 1,157 tons from Great Britain.

### PRICES

At present the three most popular brands on the market are "Atlas", "Medusa" and "Snowcrete". Imported cement is packed either in barrels of 150 kilos (330 pounds) gross weight and 140 kilos (308 pounds) net or in paper bags, such as are commonly used for the packing of ordinary cement, containing 42 kilos (92·4 pounds) net. This cement is sold to consumers at 164 milreis (approximately \$8.20 United States currency) per barrel and 44 milreis (approximately \$2.20) per bag, when less than ten bags are bought, or at 43·5 milreis (\$2.17) for quantities over ten bags.

### DUTIES

White cement imported into Brazil is dutiable at the rate (including a surtax of 10 per cent) of 114 milreis (\$5.70) per metric ton, plus 8 per cent on the c.i.f. value for exchange tax and sales and consignment tax.

## THIRD ESTIMATE OF THE ARGENTINE GRAIN CROPS FOR 1940-41

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes under date May 23, that the Argentine Department of Agriculture has issued the third and final estimate of the 1940-41 cereal and linseed crops. The following table gives the figures of this estimate, those of the second estimate, the final estimates of the crops in 1939-40 and 1938-39, and the average of the five-year period 1935-40:—

	Third Estimate 1940-41 Bushels	Second Estimate 1940-41 Bushels	1939-40 Bushels	1938-39 Bushels	5-Year Average 1935-40 Bushels
Wheat . . . . .	271,148,548	275,733,700	119,441,740	379,107,568	219,493,247
Linseed . . . . .	53,527,452	61,692,790	39,936,928	55,511,700	58,756,339
Oats . . . . .	34,986,575	41,666,125	56,588,110	47,340,500	47,783,036
Barley . . . . .	36,238,770	36,711,849	39,091,023	20,209,200	23,601,360
Rye . . . . .	8,354,310	16,948,785	13,582,650	10,876,750	8,817,148
	Tons	Tons	Tons	Tons	Tons
Canary seed . . . . .	32,406	33,220	29,150	27,500	31,221

## TRADE OF JAPAN DURING 1940

C. M. CROFT, COMMERCIAL SECRETARY

### III—Exports by Commodities; January-September

(The first two parts of this report appeared in the issue of June 7.—Ed.)

Tokyo, April 4, 1941.—The total value of Japanese exports during the first nine months of 1940 was 2,743 million yen. Of this value 58 per cent was in wholly manufactured goods, 24 per cent in materials for further manufacture, 11 per cent in items of food, drink and tobacco, and  $4\frac{1}{2}$  per cent in raw materials. The principal articles exported were raw silk, cotton tissues, and machinery and parts.

The following table shows the principal items exported during the 1940 period as compared with the corresponding period of 1939:—

#### *Exports of Principal Commodities*

	Jan.-Sept., 1940	Jan.-Sept., 1939	Inc.+ Dec.—
	1,000 Yen	1,000 Yen	Per Cent
Raw silk . . . . .	299,239	318,423	— 6.0
Cotton tissues . . . . .	288,962	287,621	+ 0.4
Machinery and parts . . . . .	191,406	161,861	+ 18.2
Rayon tissues . . . . .	96,681	98,480	— 1.8
Wood . . . . .	94,744	86,981	+ 8.9
Chemicals . . . . .	86,820	71,960	+ 20.6
Iron manufactures . . . . .	72,290	51,686	+ 39.8
Paper and its products . . . . .	55,460	55,252	+ 0.4
Canned and bottled foods . . . . .	54,740	84,050	— 34.9
Aquatic products . . . . .	52,973	30,452	+ 73.9
Potteries . . . . .	48,646	32,699	+ 48.8
Artificial silk . . . . .	42,224	17,227	+145.1
Automobiles and parts . . . . .	40,235	28,776	+ 39.8
Wheat flour . . . . .	39,488	37,133	+ 6.3
Cotton yarns . . . . .	39,421	49,649	— 20.6
Woollen tissues . . . . .	32,293	37,989	— 15.0
Silk tissues . . . . .	31,046	33,283	— 6.7

Following are notes on exports by groups of commodities, the total values shown being for the January-September period of 1940 (with 1939 totals within parentheses):—

*Plants and Animals (Living).*—Total, 5,300,694 yen (4,146,455 yen). Exports under this heading included plants to the value of 2,934,173 yen (2,344,196 yen), of which lily bulbs accounted for nearly half. Living animals were exported to the value of 2,046,802 yen (1,627,567 yen), while fish, shellfish and mollusca accounted for 319,719 yen (174,692 yen). Judged by previous years' trade, the exports were largely to the United States and the yen-bloc countries of China, Manchukuo and Kwantung Leased Territory.

*Grains, Flours, Starches and Seeds.*—Total, 65,093,541 yen (55,597,028 yen). The commodities of this classification are grouped under flours and starches, 41,910,228 yen (43,721,964 yen); grains, 14,040,202 yen (4,623,751 yen); beans and peas, 7,270,243 yen (6,385,578 yen); and seeds, 1,872,868 yen (865,735 yen). Wheat flour is the outstanding individual commodity and accounted for about 60 per cent of the total value of exports; the shipments of wheat flour amounted to 8,864,400 sacks (of 49 pounds) and were valued at 39,488,538 yen, increases of 36.4 per cent in volume and 6.3 per cent in value as compared with the 1939 period. Rice is considered to be the next important item but the exports are included under "grain", the exports of which showed the remarkable increase of 203.6 per cent in value due largely, it is thought, to heavier shipments to China and Manchukuo. The exports of wheat flour and grains are largely to the yen-bloc countries, whereas beans and peas ordinarily go to Great Britain and Germany.

*Beverages, Comestibles and Tobacco.*—Total, 241,212,749 yen (226,006,255 yen). The principal commodity in this group is canned fish, exports of which were valued at 25,744,774 yen, a sharp decline as compared with 51,706,381 yen for the 1939 period, showing the difficulties of marketing under the current war conditions. Dried fish was valued at 19,446,243 yen (9,846,207 yen), while fresh fish amounted to 8,803,901 yen (5,919,544 yen), salted fish to 2,719,146 yen (4,088,940 yen), and fish livers to 10,141,269 yen (4,641,050 yen). Exports of sugar, another prominent item, were valued at 19,368,608 yen, which was a marked drop from 36,993,829 yen for the 1939 period. Shipments of tea were valued at 17,701,945 yen (14,760,777 yen). Canned fruits were exported to the value of 17,793,413 yen (16,810,487 yen) and fresh fruits to 9,225,237 yen (3,989,840 yen). There was a fairly substantial export of vegetables, including dried vegetables at 8,866,701 yen (3,350,727 yen), and canned vegetables, 3,720,892 yen (5,289,795 yen). The exports of commodities of this classification are largely to the yen-bloc countries, although Canada takes quantities of mandarines and tea, the United States takes tea, fish and other canned foods, and Great Britain normally buys large quantities of canned fish.

*Skins, Hairs, Horns, Tusks, and Manufactures Thereof.*—Total, 10,008,054 yen (9,081,432 yen). Exports of leather and leather manufactures were valued at 2,631,905 yen (3,289,784 yen). Bristles exports amounted to 2,498,336 yen (1,150,086 yen) and those of furs to 2,300,369 yen (1,841,828 yen). These commodities are exported largely to the United States, Great Britain and the yen-bloc countries.

*Oils, Fats, Waxes and Manufactures Thereof.*—Total, 94,408,082 yen (59,129,213 yen). The principal item specified in this group is soap, which was exported to the value of 15,288,811 yen (13,369,851 yen). Under the general term of "all other" the exports amounted to 62,719,785 yen (25,686,738 yen), which was two-thirds of the total for the classification. It is believed that the main items included under "other" were mineral oil and fish oil, which were formerly listed separately and were outstanding items of the group. Mineral oil is exported to China and Kwantung Leased Territory and fish oil usually goes to the United States, Great Britain and Germany, while trade in soap is largely confined to the yen-bloc countries.

*Drugs, Chemicals, Medicines and Explosives.*—Total, 86,820,270 yen (71,960,445 yen). Following are the chief specified items and their export values in the period: prepared medicines, 6,391,420 yen (4,066,933 yen); various kinds of insectifuge, 5,591,816 yen (8,323,726 yen); camphor, 3,489,202 yen (2,925,799 yen); caustic soda, 2,889,890 yen (4,235,604 yen); sulphide of soda, 1,896,375 yen (661,246 yen); menthol crystals, 1,632,752 yen (2,958,385 yen); matches, 1,528,521 yen (3,616,482 yen). The large proportion of the exports under this classification is included as "other drugs, chemicals, etc.," which were valued at 53,255,216 yen (37,922,225 yen). Statistics for past years show that these exports go largely to the yen-bloc countries, the United States and British India.

*Dyes, Pigments, Coatings and Filling Materials.*—Total, 25,679,441 yen (26,133,862 yen). The items specified in this classification and their export values were: synthetic colours, 7,891,043 yen (12,960,450 yen); varnishes, 1,024,144 yen (443,549 yen); pencils, 2,230,859 yen (1,692,852 yen); inks, 2,191,656 yen (2,284,001 yen); and paints, 1,604,372 yen (2,469,396 yen). The trade, particularly in the principal item of synthetic colours, is mainly with China.

*Yarns, Threads, Twines, Cordages and Materials Thereof.*—Total, 453,519,658 yen (441,250,270 yen). The outstanding commodity in this group is raw silk, which was also the leading item in Japan's total exports for the period. The value of raw silk shipments was 299,239,846 yen as against 318,423,956 yen for the corresponding period of 1939, and the quantity exported was 187,267 bales of 100 kin (132 lb.) each as compared with 278,949 bales in the nine months ended September, 1939. This decrease in trade is due to the suspension of



shipments to Europe as a result of the war and to reduced purchases by the United States.

On the other hand, the trade in artificial silk increased materially and was valued at 42,224,418 yen as compared with 17,227,332 yen for the 1939 period; the quantity exported being 454,929 cwt. as against 229,716 cwt. The trade in cotton yarns was valued at 39,421,439 yen as compared with 49,649,474 yen, a decrease of 20·6 per cent in value, while the volume declined 33·3 per cent. Shipments of staple fibre were valued at 14,374,956 yen (12,464,269 yen), and staple fibre yarns at 11,847,645 yen (6,927,778 yen). Other items specified were cotton threads; threads and ropes of flax, hemp, etc.; wool yarns; thrown silk (raw); and spun silk yarns.

With regard to the direction of the trade, raw silk normally goes to the United States, Great Britain, France, Australia, and Germany; artificial silk to British India, China, Netherlands India, and Mexico; cotton yarns to British India and Netherlands India; staple fibre to the yen-bloc countries and the United States; and staple fibre yarns to British India and Netherlands India.

*Tissues and Manufactures Thereof.*—Total, 561,008,676 yen (581,551,530 yen). Principal commodities under this heading were gray cotton tissues to the value of 69,345,402 yen (79,261,291 yen); bleached cotton tissues, 61,168,047 yen (54,305,870 yen); and other cotton tissues valued at 158,449,232 yen (154,053,859 yen). Thus the total value of the exports of cotton tissues for the period was 288,962,681 yen as against 287,621,020 yen for the 1939 period, a slight increase of 0·5 per cent. In quantity, however, there was a decrease of 22·7 per cent, from 1,778,435,848 square yards for the three quarters of 1939 to 1,373,820,414 square yards for the nine months under survey; exports of gray tissues dropped from 628,876,767 square yards to 421,097,602 square yards, bleached tissues from 360,040,684 square yards to 324,523,568 square yards, and other tissues from 789,518,397 square yards in the 1939 period to 628,199,244 square yards in the first three quarters of 1940.

The exports of silk tissues during the period under review amounted to 24,261,700 square yards valued at 31,046,556 yen as compared with 44,414,084 square yards to the value of 33,288,776 yen in the corresponding months of 1939, while artificial silk tissues to the extent of 170,539,935 square yards valued at 96,681,387 yen were exported as against 228,912,017 square yards worth 98,480,633 yen in the 1939 period.

Similarly, the exports of woollen tissues fell to 13,476,412 square yards valued at 32,293,120 yen as against 19,182,766 square yards to the value of 37,989,521 yen in the corresponding period of the previous year. Tissues of flax on the contrary increased to 10,606,424 square yards valued at 12,853,036 yen from 4,636,989 square yards worth 3,253,538 yen in the nine months of 1939. Among the other commodities included in this classification were tablecloth, towels and towelling, handkerchiefs, blankets, and bed cloth, bed covers and bed quilts.

Cotton tissues are exported largely to British India, Netherlands India, Iran, Iraq, Kenya, Uganda and Tanganyika, French Morocco, Australia, Thailand, China and South Africa; flax tissues go to the yen-bloc countries; woollen tissues to the yen bloc, South Africa, and British India; silk tissues to the yen bloc, British India, Great Britain, the United States, Australia, Egypt, and South Africa; artificial silk tissues to the yen bloc, British India, Netherlands India, Australia, South Africa, Curacao, Panama and Iraq; and staple fibre tissues are shipped mostly to the yen-bloc countries.

*Clothing and Accessories Therefor.*—Total, 139,139,612 yen (120,014,566 yen). Many of the important commodities in this classification showed increases in value but decreases in quantities exported. Included in this category were undershirts and drawers, the exports of which totalled 4,913,246 dozen valued at 29,793,568 yen as compared with 7,104,263 dozen worth 28,420,490 yen; hats

and hat bodies, 1,420,868 dozen valued at 14,669,928 yen (1,604,903 dozen, 9,441,522 yen); buttons, 17,800,866 gross worth 9,280,222 yen (19,768,872 gross, 8,013,826 yen); socks and stockings, 2,040,655 dozen at 9,095,551 yen (3,158,844 dozen, 8,114,706 yen); and gloves, 716,921 dozen at 3,186,522 yen (719,297 dozen, 2,248,617 yen). The other commodities specified in the trade returns decreased in both quantity and value with the exception of jewellery and European clothing.

The exports of undershirts and drawers is principally to Netherlands India, Philippine Islands, Manchukuo, and Great Britain; hats and hat bodies to the United States and Manchukuo; socks and stockings to South Africa; and buttons largely to Great Britain.

*Pulp, Paper and Paper Manufactures.*—Total, 89,940,833 yen (83,658,662 yen). Exports of cellulose pulp for the first nine months of 1940 amounted to 33,425 cwt. valued at 458,039 yen as against 880 cwt. to the value of 15,149 yen for the corresponding period of 1939. Paper shipments totalled 2,438,502 cwt. worth 55,460,938 yen for the 1940 period as compared with 3,082,367 cwt. to the value of 55,252,122 yen. Included in the exports during the 1940 period were foreign-style paper amounting to 1,600,661 cwt. valued at 32,231,124 yen (1,687,985 cwt., 31,733,886 yen); Japanese native paper, 378,933 cwt. worth 15,343,992 yen (550,997 cwt., 13,831,686 yen); and other kinds of paper, 458,908 cwt. to the value of 7,885,822 yen (843,385 cwt. valued at 9,686,550 yen). Paper manufactures were exported to the value of 34,021,856 yen as against 28,391,391 yen for the 1939 period; these exports comprised books, journals, printed matter, blank books, note books, paper boxes, waste paper, paper bags for cement, etc. The exports under this classification were practically all to the yen bloc.

*Minerals and Manufactures Thereof.*—Total, 28,334,460 yen (24,620,365 yen). The commodities specified in this group were cement to the value of 9,416,896 yen (9,535,912 yen); coal, 6,476,388 yen (6,736,418 yen); asbestos manufactures, 2,081,113 yen (1,889,910 yen); and abrasives 1,635,959 yen (890,274 yen). The remaining exports were included as "all others." It is not possible to indicate clearly where the exports went, but cement usually goes to the yen bloc and Netherlands India and coal goes to China, Hongkong and the Straits Settlements.

*Pottery, Glass and Glass Manufactures.*—Total, 72,272,771 yen (52,056,736). Exports of pottery were valued at 48,646,583 yen as against 32,699,727 yen for the 1939 period; the principal items were tableware, sanitary-ware, and pottery for electric uses. Glass and glassware shipments amounted to 23,626,188 yen (19,360,009 yen) and about half consisted of bottles and cups. The shipments of pottery are usually to the United States, yen-bloc countries, Netherlands India, British India, and South Africa, while glass and glass manufactures go to British and Netherlands India.

*Ores and Metals.*—Total, 98,606,774 yen (103,803,467 yen). No information of any description is available as to the commodities included in this group as such information may not be published. In past years exports have gone to the yen bloc, British India, Netherlands India and Brazil.

*Metal Manufactures.*—Total, 146,983,657 yen (100,745,366 yen). The principal sub-group in this classification is iron manufactures, which were exported to the value of 72,290,155 yen as against 51,686,363 yen for the first nine months of 1939; the principal commodities specified under iron manufactures were nails and the like; materials for the construction of buildings, bridges, etc.; and fittings for furniture. Shipments of mechanics' tools were valued at 28,240,734 yen (11,882,328 yen); insulated electric wire accounted for 20,686,169 yen (18,837,338 yen); nickelled metal manufactures, 5,552,463 yen (3,268,200 yen); agricultural implements, 5,305,130 yen (4,183,936 yen); and brass manufactures, 5,149,292 yen (3,461,563 yen).



Iron manufactures go principally to the yen bloc and Netherlands India; brass and aluminium manufactures to the yen bloc; nickelled iron manufactures to the United States; electric wire and mechanics' tools to the yen bloc.

*Clocks, Scientific Instruments, Machinery, Etc.*—Total, 347,684,869 yen (270,537,995 yen). Machinery and parts thereof forms by far the largest subgroup under this classification, the value of the exports in the 1940 period being 191,406,758 yen as compared with 161,861,144 yen for the nine months of 1939; the principal classes of machinery exported were locomotives (including tenders), metal-working machinery, electric motors and dynamos, spinning machines, transformers, pumps, switches and switchboards, and weaving looms. There were also shipments of general electric machinery, wood-working machinery, knitting machines, printing machines, sewing machines, signal apparatus, electric fans and elevators.

Apart from machinery there were fairly substantial exports of other items under this general classification. Automobiles and parts were sent abroad to the extent of 40,235,135 yen (28,776,917 yen); while other vehicles and parts were valued at 23,504,882 yen (24,939,347 yen); vessels accounted for 27,722,952 yen (9,300,486 yen); cycles and parts amounted to 22,243,666 yen (12,586,532 yen); and telephone instruments (including radio sets) were to the value of 12,527,021 yen (8,336,510 yen). Watches and clocks, electric batteries, surgical instruments, meters, phonographs and parts and records, and general scientific instruments were exported to greater value in the 1940 period than in that of 1939, although it is thought that increased prices were largely responsible for this increase.

Machinery and parts were exported very largely to the yen-bloc countries, as were automobiles and parts, vessels and telephonic instruments; cycles usually go to the yen-bloc and Netherlands India and British India.

*Miscellaneous Articles.*—Total, 209,058,563 yen (181,600,122 yen). Wood of various kinds made up nearly half of the total exports under this heading and comprised sawn wood to the value of 45,340,365 yen (42,912,011 yen); logs and cants, 16,912,843 yen (26,138,668 yen); box-shooks, 16,082,522 yen (4,628,143 yen); plywood, 9,872,699 yen (9,439,698 yen); railway sleepers, 4,830,381 yen (2,187,308 yen); and "other" wood valued at 1,705,293 yen (1,675,428 yen). With respect to the volume of the trade in wood, shipments of sawn wood, principally cedar, hemlock, and pine, amounted to 950,473 cubic metres for the period under review (as against 829,873 cubic metres); logs and cants, totalled 453,090 cubic metres (677,384 cubic metres); box shooks numbered 10,963,425 sets (6,857,641 sets); while plywood which was largely affected by the European war amounted to 130,916,973 square feet (161,622,492 square feet). The other principal commodities of export under this general heading included lamps and parts, 16,058,789 yen (12,257,144 yen); toys, 15,865,636 yen (15,935,332 yen); rubber goods, 9,655,474 yen (9,956,595 yen); celluloid and manufactures thereof, 6,837,080 yen (5,019,027 yen); and brushes, 4,256,728 yen (3,740,386 yen). There were also exports of transparent paper, superphosphate of lime and tarred felt and paper.

As to the direction of the trade in these commodities, wood and its products goes usually to the yen-bloc countries, Great Britain, British India, and Netherlands India; lamps to the United States and the yen bloc; toys to the United States, Great Britain, Australia and British India; and rubber goods to the yen-bloc countries.

*Parcel Post.*—Shipments by parcel post during the first nine months of 1940 were valued at 55,598,002 yen as compared with 34,997,694 yen for the corresponding period of 1939.



## LUMBER SITUATION IN JAPAN

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, April 23, 1941.—In order to adjust the relation between the demand for and supply of lumber, a law has recently been promulgated in Japan by which the administrative authorities may exercise a wide measure of control over the whole lumber industry. The law provides that orders may be issued governing the selling prices of standing timber, and species or kinds of lumber may be designated and instructions may be given producers, merchants or importers requiring them to sell such designated species to the Japanese Lumber Co. Ltd., a company which is to be formed to administer the control over the lumber trade. Orders may be issued prohibiting or restricting the consumption of the designated kinds of lumber, and saw-millers may be given instructions as to the kinds of wood which may be sawn. Provisions also exist by which all transactions in lumber may be subjected to a permit system.

The Lumber Control Law has not, at the time of writing, been brought into force but will be made effective by Imperial Ordinance to be promulgated at a later date.

A report was recently made available showing the general lumber situation in Japan. The following table shows the acreage of lands which have been cleared and also those which have been afforested during each of the five years from 1935 to 1939 inclusive:—

	Area of Wood Lands	
	Cleared 1,000 Acres	Afforested 1,000 Acres
1935 . . . . .	1,058	874
1936 . . . . .	1,156	940
1937 . . . . .	1,151	948
1938 . . . . .	1,202	1,046
1939 . . . . .	1,300	1,082

With respect to the supply and use of lumber in Japan Proper, information available shows that at the beginning of 1940 there were stocks estimated to amount to 291,410,000 cubic feet while the production in that year was 960,250,000 cubic feet; there were "internal imports" (that is from other parts of the Japanese Empire) of 27,820,000 cubic feet and external imports of 32,290,000 cubic feet, making a total supply of 1,311,770,000 cubic feet. The home consumption totalled 918,560,000 cubic feet, internal exports amounted to 55,780,000 cubic feet and external exports to 86,850,000 cubic feet, thus leaving stocks at the end of 1940 of 250,580,000 cubic feet.

Of the domestic consumption in 1940 estimated at 918,560,000 cubic feet, it is believed that 169,220,000 cubic feet was used for building purposes and furniture making, 96,740,000 cubic feet for packing purposes, 115,660,000 cubic feet for mining, 80,720,000 cubic feet for pulp making, 36,560,000 cubic feet for ships, 24,970,000 cubic feet for road construction, 29,360,000 cubic feet for vehicles, 33,460,000 cubic feet for railway sleepers, 13,120,000 cubic feet for poles and the balance of 318,750,000 cubic feet was used for various unspecified purposes.

## MARKET CONDITIONS FOR WHEAT FLOUR IN THE PHILIPPINE ISLANDS

P. V. McLANE, CANADIAN TRADE COMMISSIONER

Hongkong, April 25, 1941.—The total arrivals of wheat flour in the Philippines during 1940 were substantially below those for 1939, which, however, was a record year. They were practically the same as for 1938. Arrivals from the United States declined by 649,377 bags, or 16 per cent; imports from Canada

decreased by 55,052 bags, or 10 per cent; and arrivals from Australia were down 458,067 bags, or 32 per cent. Comparative figures for 1940 and 1939 are as follows:—

*Imports of Wheat Flour into the Philippines*

	1940	1939
	Bags of 49 Pounds	
United States . . . . .	3,427,392	4,076,769
Canada . . . . .	491,133	546,185
Australia . . . . .	968,680	1,426,747
	<hr/> 4,887,205	<hr/> 6,049,701

The reduced consumption was a result of lower purchasing power, due to the low prices offered for the main Philippine raw products. There were considerable excess stocks of flour during the first eight months of the year, and these were liquidated in many cases at a loss. During the last four months of the year more normal conditions prevailed and, although domestic consumption was below normal, stocks were gradually reduced. During December an adjustment was finally made, stocks were normal, and prices were firmer. Domestic consumption was still low, but was increasing gradually. The trend, however, was toward the increased use of second-grade and poorer-grade flour, particularly in the provinces.

PRICES

Prices fluctuated within narrow limits during the last four months of the year. American Export Straight was quoted at U.S.\$4.30 in September, U.S.\$4.40 in October, closed at U.S.\$4.50 in November, and ended the year at U.S.\$4.40. Canadian flour prices, which were between U.S.\$4.93 and U.S.\$5.17 according to grades, fluctuated in October within narrow limits, and ended the year at U.S.\$4.82 to U.S.\$5.22. Australian prices were more or less nominal, standard grades, being quoted from U.S.\$4.55 to U.S.\$4.60 in October, increasing to U.S.\$4.56 to U.S.\$4.86 by the end of the year. The foregoing are wholesale quotations per barrel c.i.f.c. Manila, duty paid.

MARKET PROSPECTS

Market conditions in 1941 will no doubt continue to be unsatisfactory. Export goods are piling up in the Islands, due to lack of freight space. Until export goods move freely at improved prices, the purchasing power of the Islands will remain low. Freight space available for shipments of flour to the Islands will also continue to be at a premium and will probably prove a decided handicap to this trade.

**TRADING WITH SYRIA, LEBANON AND FRENCH SOMALILAND  
PROHIBITED**

By Order in Council (P.C. 3851) of May 31, 1941, the provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) are extended to and deemed to apply, from and including May 27, 1941, to Syria, Lebanon and French Somaliland as proscribed territories.

TARIFF CHANGES AND TRADE REGULATIONS

Ireland

DUTIES CHANGED ON CERTAIN VITREOUS ENAMELLED HOUSEHOLD HOLLOW-WARE

Mr. James Cormack, Canadian Trade Commissioner at Dublin, advises that, by an Order of the Government of Eire, dated April 22, 1941, and effective from April 23, 1941, the duty has been changed on imports into Eire of household and domestic vitreous enamelled hollow-ware of wrought iron and wrought steel, consisting of basins, bowls, baths, chamber pots, saucepans, stewpans, cooking pots, jugs, ewers, etc. (but excluding tea and coffee pots, and baths for installation as fixtures in houses). The rate of duty on these articles when imported from the United Kingdom and Canada is 30 per cent ad valorem or 6d. each article, whichever is the greater. Imports from all other countries are dutiable at 60 per cent ad valorem or 1s. each article, whichever is the greater. Formerly these items, when imported from the United Kingdom, Canada and all Commonwealth countries, were dutiable at 40 per cent ad valorem or 6d. each article, whichever was greater; the full rate was 60 per cent ad valorem or 9d. each article, whichever was greater.

Jamaica

GENERAL TARIFF ON COTTON HOSIERY

The revised general tariff rate on cotton hosiery appearing in *Commercial Intelligence Journal* No. 1946 (May 17, 1941), page 616, should read 10 per cent (not 20 per cent) ad valorem plus 9 pence per pair.

Antigua

INCREASE IN CUSTOMS DUTIES

By resolution of the Legislative Council of Antigua, dated March 20, customs duties are increased on rice, cigarettes, whisky, rum and motor spirit as follows:—

	Old Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Rice . . . . .per 100 lb.	3s.	4s. 6d.	3s. 4d.	5s.
Cigarettes . . . . .per lb.	8s. 4d.	10s. 5d.	10s. 5d.	12s. 6d.
Whisky . . . . .per proof gal.	19s. 6d.	23s.	22s. 6d.	26s.
Rum . . . . .per proof gal.	14s.	17s. 6d.	20s.	24s.
Motor spirit . . . . .per gal.	9d.	11½d.	10d.	1s. 1d.

AMENDMENTS TO ARGENTINE EXCHANGE AND IMPORT  
CONTROL REGULATIONS

With reference to the table of dollar exchange rates given in the article on Argentine exchange and import regulations in *Commercial Intelligence Journal* No. 1949 (June 7, 1941), page 717, Mr. J. A. Strong, Canadian Trade Commissioner in Buenos Aires, writes that the rate of exchange for farm implements has been fixed at 4.55 pesos to the United States dollar instead of the originally proposed rate of 4.70. The rate for implement parts remains at 4.2289 pesos to the United States dollar.



**Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to bind them with the Index at the end of each half-year.**

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 10, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, June 10, 1941, and for the week ending Monday, June 2, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 2	Nominal Quotations in Montreal Week ending June 10	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0223	4
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2645	.2646	3½
Switzerland . . . . .	Franc	.1930	.2575	.2575	1½
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2280	.2279	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2638	.2622	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Colombia . . . . .	Peso	.9733	.6325	.6325	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4670	.4633	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0588	.0587	—
Hongkong . . . . .	Dollar	.....	.2697	.2701	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Turkey Paste and Pâté.....	115	New York City.....	Purchase.
Codfish, Dried.....	116-7	Mexico City, Mexico.....	Agency.
<b>Miscellaneous—</b>			
Sporting Goods.....	118	Mexico City, Mexico.....	Agency.
Sportswear.....	119	Mexico City, Mexico.....	Agency.
Men's Wearing Apparel.....	120	Mexico City, Mexico.....	Agency.
Seeds.....	121	Mexico City, Mexico.....	Agency.
Barbed Wire.....	122	Mexico City, Mexico.....	Agency.
Iron or Steel Pipes for Water and Gas.....	123	Mexico City, Mexico.....	Agency.
Crucible Linings.....	124	Melbourne, Australia.....	Purchase or Agency.
Paperboard.....	125	Tel-Aviv, Palestine.....	Agency.
Paperboard.....	126	Alexandria, Egypt.....	Purchase and Agency.
Belting.....	127	Baghdad, Iraq.....	Purchase and Agency.
Leather for Shoemaking.....	128	Baghdad, Iraq.....	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

---

## Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

*Sydney*: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

*Melbourne*: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

*Trinidad*: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica*: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

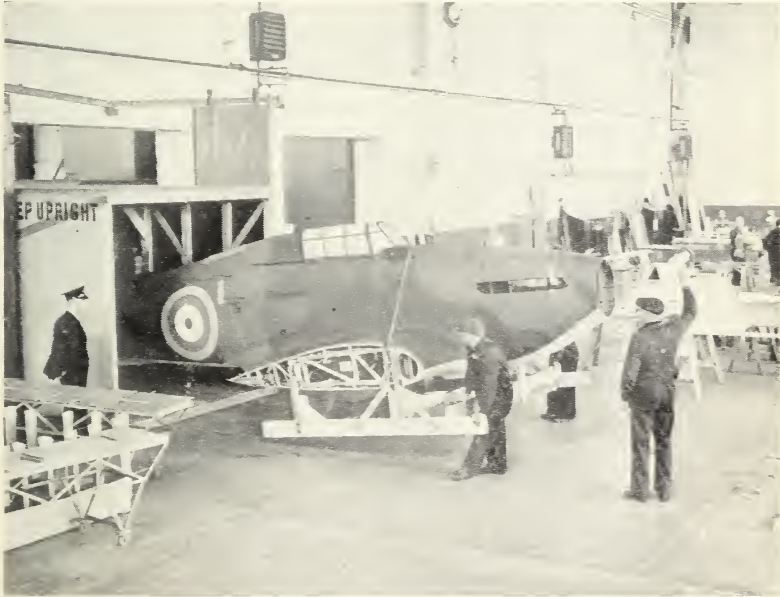
D. I.

# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXIV

Ottawa, June 21, 1941

No. 1951



A Completed Hawker Hurricane Fighter Being Crated for  
Shipment to Great Britain

*Photo—Public Information*

ISSUED BY AUTHORITY OF  
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE  
L. D. WILGRESS, DEPUTY MINISTER



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Ottawa, June 21, 1941

No. 1951

## CHANGES IN EXPORT PERMIT REGULATIONS TO TAKE EFFECT ON JUNE 30

Under Order in Council P.C. 4366 of June 17 the list of articles for which a permit to export from Canada will be required on and after June 30 next has been revised. This Order in Council (P.C. 4366) rescinds Schedule I of Order in Council P.C. 2448 of April 8, 1941, and in place of the latter there is substituted Schedule I to the new order, enumerating and describing the articles which no person shall export without first having obtained a permit issued by or on behalf of the Minister of Trade and Commerce. The new schedule, which is printed in full below, contains many new items, but for most of these no permit is required for export to the British Empire and the United States. Except as regards the schedule, Order in Council P.C. 2448 continues in full force and effect.

To take effect also on June 30, Hon. James A. MacKinnon, Minister of Trade and Commerce, under the authority of Order in Council P.C. 2448, has issued a number of amendments and additions to the export permit regulations which came into force on May 5 and which were published in *Commercial Intelligence Journal* No. 1944 (May 3, 1941). These amendments and additions are also set forth below.

The amended regulations, together with the revised list of articles for which an export permit will be required on and after June 30, are being published in pamphlet form and will be available, as in the case of the first pamphlet, through the Canadian Manufacturers' Association, Chambers of Commerce, Boards of Trade and Customs' officers, or may be obtained direct from the Export Permit Branch, Department of Trade and Commerce, 116 Wellington Street, Ottawa.

### AMENDMENTS AND ADDITIONS TO EXPORT PERMIT REGULATIONS

Following are the amendments and additions to the export permit regulations to be effective June 30:—

The former regulations No. 7, 8, and 29 are cancelled and the following substituted therefor:

7. Notwithstanding Regulation No. 5, export permits shall not be required in respect of shipments of less than \$5 in value except in respect of sugar as provided in Regulation 30.
8. A fee of \$2 shall accompany each application for an export permit covering goods of an f.o.b. value exceeding \$100, this amount to be remitted by bank, express or postal money order, made payable to the Receiver General of Canada. No fee shall be required for a permit covering the export of goods of an f.o.b. value of \$100 or less, for a permit covering sugar supplied as ships' stores nor for parcels mailed direct by business houses for Prisoners of War.

29. Application for permits to export wool, wool tops and noils to the United States should be submitted to the Wool Administrator, Dominion Public Building, Toronto. Applications to export yarn, rags and waste should be submitted to the Export Permit Branch, Ottawa.

Purchases of yarn by returning tourists up to 25 pounds in weight do not require an export permit.

The following regulations are amended as shown:

4. After the word "Council" in line three the following words are added: "as superseded by Schedule I to Order in Council P.C. 4366 of June 17, 1941."
14. After the words "to accompany the goods" the following words are added: "attached to the way bill. Where a partial shipment is being made the permit should accompany the first shipment with advice of the balance to follow. (For parcel post shipments see Regulation 24.)"
24. The words "more than \$5" changed to "\$5 or more".
- 27, } The words "P.C. 2448 of April 8, 1941," were appearing in Regulations  
34, } 27, 34, and 35 are deleted and in place thereof the words "P.C. 4366  
35 } of June 17, 1941," are inserted.

Regulation 32 is renumbered and becomes 33. Regulations 33, 34, 35, 36 and 37 are renumbered and become 35, 36, 37, 38 and 39.

The following new regulations are added:

32. Applications for permits to export Pacific salmon and herring should be submitted to the Chief Supervisor of Fisheries, Vancouver.
- Export permits are not required for casual shipments of salmon or herring not exceeding 48 pounds except as provided for in Regulation 5.
34. Export permits are not required for any arms, ammunition, implements or munitions of war, military, naval or air stores, including military trucks and motorcycles, enumerated in groups 9 and 10 of Schedule I to Order in Council P.C. 4366, June 17, 1941, consigned to the United Kingdom Ministry of Supply, or its order.
- Export permits are not required for any of the above should they be ordered, diverted or exported by the Ministry of Supply or the Department of Munitions and Supply to other countries due to the exigencies of war or requirements of the allies.
40. Commodities in transit through Canada to a British Empire country do not require a Canadian export permit.
41. The Export Permit Branch can not give any undertaking in advance that an export permit will be issued. The only way to obtain a decision is to submit an application.
42. The issue of an export permit shall not affect the liability of an exporter to obtain such licence or inspection certificate as may be required by any other statute or law in Canada or any province thereof.

#### REVISED LIST OF ARTICLES FOR WHICH EXPORT PERMIT REQUIRED, EFFECTIVE JUNE 30

Following is Schedule I to Order in Council P.C. 4366, being the list of articles for which an export permit will be required as and from June 30:—

**GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS**

(Except Chemicals, Fibres and Woods)

Vegetable oils and fats, edible and inedible—

Castor oil, commercial.

\*Cocoa butter.

Coconut oil, edible or inedible.

\*Cooking fats other than lard.

\*Corn oil, crude or refined.

\*Cottonseed oil, crude or refined.

Lac.

Linseed oil.

\*Oiticica oil.

\*Olive oil, edible or inedible.

\*Olive oil, sulphured or foots.

\*Palm oil, crude or refined.

Palm kernel oil, edible or inedible.

\*Peanut oil, crude or refined.

\*Perilla oil.

Pine oil.

\*Rapeseed oil, crude or refined.

Soy-bean oil, crude or refined.

\*Tung oil.

\*Vegetable oil foots.

\*Vegetable soap stock.

\*Vegetable stearin.

\*Vegetable tallow and wax.

\*Other oils obtained from other varieties of palm kernels, refined or crude.

Vegetable oil seeds, and vegetable and other oil-bearing raw materials—

\*Castor beans.

Copra

\*Cotton seed.

\*Flax seed.

\*Hempseed.

Palm kernels.

\*Peanuts.

\*Perilla seed.

\*Poppy seed.

\*Rapeseed.

\*Soy beans.

\*Sunflower seed.

\*Other varieties of palm nuts and kernels.

Belladonna, crude, extracts and products thereof.

\*Digitalis seeds.

Fibre flax seed.

\*Hyoscyamus, crude and extracts.

\*Nux vomica, crude.

Quinine barks, cinchona or other barks from which quinine may be extracted.

Rubber, crude all forms and types, reclaimed and scrap rubber.

\*Rubber tires and tubes.

\*Solid rubber tires for motor cars and trucks.

\*Stramonium, crude, extracts and products thereof.

Sugar.

**GROUP 2—ANIMALS AND ANIMAL PRODUCTS**

(Except Chemical and Fibres)

Animal, fish, and marine mammal oils, fats and greases, edible and inedible—

\*Butter.

Fish liver oils, fish and visceral oils.

\*Grease stearin.

\*Hog grease.

\*Lard.

\*Lard oil.

---

\* Export permits not required for shipment to any part of the British Empire and the United States.



- \*Oleic acid, or red oil.
- \*Oleomargarine of animal or vegetable fats.
- \*Oleo oil.
- \*Oleo stearin, edible.
- \*Oleo stock.
- \*Neat's-foot oil.
- Sperm oil.
- \*Stearic acid.
- \*Tallow, edible or inedible.
- Whale oil.
- \*Wool grease.
- Fat waste, scrap and offal.
- \*Bristles, pig.
- Calves' stomachs.
- Cheese.
- Herring, Pacific, fresh, frozen, salted, smoked, canned or fish meal.
- Hides.
- Leather.
- Livers, fish.
- Lobster, canned.
- Milk products, concentrated.
- Pigeons, live.
- Rennet.
- Salmon, Pacific, of any of the species of *Oncorhynchus* or *Salmo gairdneri*, fresh, frozen, salted, smoked, canned or fish meal.
- Skins (fur skins excepted).

### GROUP 3—FIBRES, TEXTILES AND TEXTILE PRODUCTS

- Cloth containing flax, except when manufactured into wearing apparel or household goods.
- \*Cotton pulp.
  - Flax and flax fibre.
  - Flax yarn, thread and twine.
  - \*Hemp unmanufactured and hemp yarn, twine and cordage.
  - \*Istle or tampico unmanufactured and istle or tampico yarn, twine and cordage.
  - Jute fibre, burlaps and bags.
  - \*Kapok.
  - Linters, cotton.
  - \*Oakum.
  - Manila fibre, cordage and twine.
  - \*Ramie unmanufactured and ramie yarn, twine and cordage.
  - \*Nylon filament and yarn.
  - Silk, raw, waste and used rags.
  - \*Silk noils, yarns, parachute and cartridge cloth.
  - \*Sisal or henequin unmanufactured and sisal or henequin yarn, twine and cordage.
  - \*Sunn unmanufactured and sunn yarn, twine and cordage.
  - Wool (including wool on the skin), tops and noils, yarns, rags and waste.

### GROUP 4—WOOD, WOOD PRODUCTS AND PAPER

- \*Cork.
- \*Douglas fir saw logs.
- \*Wood pulp, alphacellulose bleached, rayon and chemical grades.
- \*Wood pulp, sulphite bleached.

### GROUP 5—IRON AND ITS PRODUCTS

- Iron and steel—
- Iron ore and concentrates.
  - Pig iron.
  - Ferro-alloys (See Group 6).
  - Scrap iron or steel of all kinds.
  - Ingots.
  - Castings and forgings.

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\* Export permits not required for shipment to any part of the British Empire and the United States.

## Rolling-mill products:

Bands.  
Bars, including rails.  
Hoop.  
Piling.  
Plates, coated or not.  
Rods.  
Sheets, coated or not.  
Steels, alloy (including stainless).  
Strip.  
All other rolling-mill products.

Blanks for tool bits.

\*Bolts, nuts and screws.

Chains.

Fence posts.

\*Nails and staples.

Pipes and tubes of all kinds.

Railway rolling-stock, railway equipment and parts, complete or unassembled.

Structural iron or steel, fabricated.

Wire, coated or not, plain or stranded, including wire rope or wire fencing.

Welding rods and welding wire.

Storage tanks.

Metal drums and similar containers, unfilled, new or used.

Metal and wood-working machine tools and machinery, other manufacturing machinery and parts, including:

Drilling and boring machines (horizontal and vertical).

Grinding machines.

Lathes.

Melting or casting furnaces and machines.

Milling machines.

Planers.

Presses (hydraulic and mechanical).

Reamers.

Shapers and slotters.

Bits and drills of all descriptions.

Broaching machines.

Die machines.

Dies.

Draw benches.

Engraving machines.

Forging machines.

Gear cutters.

Hobs.

Honing machines.

Jigs.

Jig-boring machines.

Lapping machines.

Milling cutters.

Machine tools, portable or non-portable.

Machine-tool fixtures.

Rolling-mill machinery.

Stamping machines.

Taps.

Thread millers.

Tools incorporating industrial diamonds.

Stamping machines.

Welding sets.

Wire-drawing machines.

Used or rebuilt machine tools of any description.

Precision instruments:

Gauges.

Balancing machines.

Testing machines.

Measuring machines.

Equipment for the production of tetracthyl lead, aviation gasoline and aviation lubricating oil.

\* Export permits not required for shipment to any part of the British Empire and the United States.

Oil well-drilling machinery and parts, including petroleum and gas-well equipment and parts.

Petroleum refining machinery, equipment and parts.

Hydraulic pumps, except for domestic use.

Plastic moulding machines and presses.

\*Ball and roller bearings and parts for machines.

\*Cranes.

\*Derricks.

\*Dredging machinery.

\*Excavating and power shovels.

\*Hoists.

Flax machines of all kinds.

## GROUP 6—NON-FERROUS METALS AND THEIR PRODUCTS

(Except Pharmaceutical Preparations)

Aluminium—Aluminium ores and concentrates, refined metal and alloys semi-fabricated and fabricated, scrap, salts and compounds.

Antimony—Antimony ores and concentrates, metal and alloys semi-fabricated, scrap, salts and compounds.

Beryllium—Beryllium ores and concentrates (except gem varieties), metal, alloys, scrap, salts and compounds.

Brass—(See Copper).

Bronze—(See Copper).

Cadmium—Cadmium residues, metal and alloys, pigments, scrap, salts and compounds.

Carbide—(See Tungsten).

Cerium—Cerium metal, alloys, salts and compounds.

Chromium—Chromium ores and concentrates, metal and alloys (including ferro-chrome) pigments, salts and compounds.

Chromite refractories—Containing chromium in excess of 10 per cent in semi-fabricated or fabricated form.

Cobalt—Cobalt ores and concentrates, residues, metal and alloys (including stellite), salts and compounds.

Columbium—Columbium ores and concentrates, metal and alloys (including ferro-columbium).

Copper—Copper ores and concentrates, matte, blister, refined metal and alloys (including brass and bronze) semi-fabricated, scrap, salts and compounds.

Lead—Lead ores and concentrates, refined metal and alloys (including babbitt and type metal) semi-fabricated, castings, pigments, scrap, salts and compounds.

Molybdenum—Molybdenum ores and concentrates, metal and alloys (including ferro-molybdenum), salts and compounds.

Magnesium—Magnesium ores and concentrates, metal and alloys semi-fabricated and fabricated, scrap, salts and compounds.

Manganese ores and concentrates, metal and alloys (including ferro-manganese, spiegeleisen, silica spiegel and silica manganese), salts and compounds.

Mercury—Mercury ores and concentrates, metallic mercury, salts and compounds.

Nickel—Nickel ores and concentrates, matte, metal and alloys (including Monel metal) semi-fabricated, scrap, salts and compounds.

Platinum Metals Group—Concentrates and residues, metals, alloys, manufactures other than jewellery, scrap, salts and compounds.

Radium and Uranium—Radium and uranium ores and concentrates, metal, paint containing radium in any form, salts and compounds.

Silicon—Silicon metal and alloys (including ferro-silicon).

Selenium and Tellurium—Selenium and tellurium residues, metal, salts and compounds.

Spiegeleisen—(See Manganese).

Strontium—Strontium ores, salts and compounds.

Tantalum—Tantalum ores and concentrates, metal and alloys (including ferro-tantalum), salts and compounds.

Tellurium—(See Selenium).

Tin—Tin, metal and alloys semi-fabricated and fabricated, scrap, salts and compounds; tinplate scrap.

Titanium—Titanium ores and concentrates, metal, alloys (including ferro-titanium), pigments, salts and compounds.

Tungsten—Tungsten ores and concentrates, metal and alloys (including ferro-tungsten and tungsten carbide) semi-fabricated, salts and compounds.

\* Export permits not required for shipment to any part of the British Empire and the United States.



Uranium—(See Radium).

Vanadium—Vanadium ores and concentrates, metal, alloys (including ferro-vanadium), salts and compounds.

Zinc—Zinc ores and concentrates, metal and alloys semi-fabricated, manufactures containing 20 per cent or more of zinc including addressograph blanks and photo-engraving sheets and plates, pigments, dust, scrap, dross, ashes, salts and compounds.

Scrap—All other metal scrap.

## GROUPS 7—NON-METALLIC MINERALS AND THEIR PRODUCTS

(Except Chemicals)

Abrasives—Abrasive wheels of emery, corundum and garnet; artificial abrasives, crude and in grains; grindstones of natural and of artificial abrasives; sand-paper and other abrasive paper and cloth; other natural and artificial abrasives; hones and whetstones.

Asbestos—Asbestos in primary forms, refuse, sand and waste; asbestos brake lining, clutch facings, gaskets, packing and all other manufactures.

Carbon electrodes.

Chromite refractories—(See Group 6).

Cryolite—Cryolite, natural or artificial.

Diamonds—Industrial, including dust and bort.

Fluorspar.

Gas, helium.

Glass—Non-shatterable or bullet proof; optical glass, but not including spectacles or ordinary reading glasses.

Graphite—Amorphous, flake and crystalline, crucibles, retorts and stoppers; graphite electrodes.

Magnesia refractories—Magnesia, including crude or calcined rock, excepting dolomite, containing magnesia in excess of 20 per cent in semi-fabricated or fabricated form.

Mica—Mica blocks, sheets and splittings, scrap and waste, and manufactures.

Petroleum products—

(a) Aviation motor fuel, i.e., high octane gasolines. hydrocarbons and hydrocarbon mixtures (including crude oils) boiling between 75 degrees and 350 degrees F. which, with the addition of tetraethyl lead up to a total content of 3 c.c. per gallon, will exceed 87 octane number by the A.S.T.M. Knock Test Method; or any material from which by commercial distillation there can be separated more than 3 per cent of such gasoline, hydrocarbons or hydrocarbon mixtures.

(b) Aviation lubricating oil, i.e., any lubricating oil of 95 or more seconds Saybolt Universal Viscosity at 210 degrees F., with a viscosity index of 85 or more.

(c) Crude oils.

(d) Blending agents of petroleum origin.

Petrolatum and petroleum jelly.

Petroleum coke.

Phosphorus-Phosphorus, ferro-phosphorous and compounds.

Pyrites, iron.

Quartz crystals—Piezelectric and optical.

## GROUP 8—CHEMICAL AND ALLIED PRODUCTS

(See also Group 10)

Acetic acid.

\*Acetic aldehyde.

Acetone.

Activated carbon.

\*Acrylonitrile.

\*Alkyd resins.

Ammonia and ammonium compounds.

Aniline.

Arsenic trichloride.

Atropine.

Barium chemicals.

Borates.

\*Boric acid.

Bromine.

\*Butadiene.

Butyl alcohol.

\* Export permits not required for shipment to any part of the British Empire and the United States.

- \*Butylene.
- Caffein, caffein salts and compounds.
- \*Calcium cyanamide.
- \*Calcium cyanide.
- Calcium silicide.
- Carbon black.
- Casein.
- Chlorine.
- \*Chloroacetyl chloride.
- \*Chloroprene.
- Cresylic acid and cresols.
- \*Dibutyl phthalate.
- \*Dicyanodiamide.
- \*Diethyl phthalate.
- Dimethylaniline.
- Diphenylamine.
- \*Dipropylphthalate.
- Ethyl alcohol.
- Ethylene.
- \*Ethylene chlorhydrine.
- Ethylene dibromide.
- \*Explosives not included in Category VII of Group 10.
- Fatty acids produced from vegetable oils under export control.
- \*Fertilizers of every kind and analysis.
- Formic acid.
- Formaldehyde.
- \*Guanidine nitrate.
- Glycerine.
- \*Hexamethylene tetramine.
- \*Iodine, iodine salts and compounds.
- Methyl alcohol and derivatives.
- \*Methyl methacrylate.
- Methylamine.
- \*Monochloroacetic acid.
- \*Naphthalene.
- Nitrates.
- Nitric acid.
- Nitrocellulose, having nitrogen content of less than 12 per cent (See Group 10).
- \*Nitroderivatives of benzene, toluene, xylene, naphthalene and phenols.
- \*Nitroguanidine.
- \*Nylon.
- \*Omega chloroacetophenone.
- \*Pentaerythrite.
- Phenol.
- Phthalic anhydride.
- \*Polymers and copolymers of butadiene, acrylonitrile, butylene, chloroprene, styrene, vinylidene chloride and synthetic rubber-like compounds, fabricated or unfabricated.
- Potassium salts and compounds.
- Quinine, quinine salts and compounds, including proprietary and non-proprietary preparations containing quinine.
- Soda lime.
- Sodium acetate.
- \*Sodium bromide.
- Sodium chlorate.
- \*Sodium cyanide.
- \*Strychnine and salts thereof.
- \*Styrene.
- Sulphuric acid, fuming.
- \*Sulphur chlorides.
- \*Tartaric acid.
- Tetraethyl lead, pure tetraethyl lead, ethyl fluid or any mixture containing more than 3 c.c. of tetraethyl lead per gallon.
- Theobromine and salts thereof.
- \*Theophylline and salts thereof.
- \*Thiodiglycol.
- Toluol and light oil resulting from the distillation of coal tar.
- \*Vinylidene chloride.

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\* Export permits not required for shipment to any part of the British Empire and the United States.

**GROUP 9—MISCELLANEOUS**

(See also Group 10)

Optical elements, excluding ophthalmic lenses used in spectacles and eye glasses.  
Fire-control instruments, military searchlights, aerial cameras and other types of military equipment containing optical elements.  
Aircraft pilot trainers.  
Aircraft parts, equipment and accessories.  
Plans, specifications and other documents in design or construction of any arms, ammunition, implements or munitions of war as described in Group 10.

**GROUP 10—ARMS, AMMUNITION, IMPLEMENTS OR MUNITIONS OF WAR:  
MILITARY, NAVAL OR AIR STORES***Annex to Order in Council P.C. 1838 of July 30, 1937***Category I**

- (1) Rifles and carbines using ammunition in excess of calibre .22, and barrels for those weapons.
- (2) Machine guns, automatic or auto-loading rifles, and machine pistols using ammunition in excess of calibre .22, and barrels for those weapons.
- (3) Guns, howitzers, and mortars of all calibres, their mountings and barrels.
- (4) Ammunitions in excess of calibre .22 for the arms enumerated under (1) and (2) above, and cartridge cases or bullets for such ammunition; filled and unfilled projectiles for the arms enumerated under (3) above.
- (5) Grenades, bombs, torpedoes, mines and depth charges, filled or unfilled, and apparatus for their use or discharge.
- (6) Tanks, military armoured vehicles, and armoured trains.

**Category II**

- (1) Vessels of war of all kinds, including aircraft carriers and submarines, and periscopes for submarines.

**Category III**

- (1) Aircraft, unassembled, assembled or dismantled, both heavier and lighter than air, which by reason of their design or construction are adapted or intended either for military or naval reconnaissance, or for aerial combat by the use of machine guns or artillery, or for the carrying and dropping of bombs, or which are equipped with or prepared for any of the arms or appliances referred to in paragraph (2) below.
- (2) Aerial gun mounts and frames, bomb racks, torpedo carriers, and bomb or torpedo release mechanisms.

**Category IV**

- (1) Revolvers and automatic pistols using ammunition in excess of calibre .22.
- (2) Ammunition in excess of calibre .22 for the arms enumerated under (1) above, and cartridge cases or bullets for such ammunition.

**Category V**

- (1) Aircraft, unassembled, assembled or dismantled, both heavier and lighter than air, other than those included in Category III.
- (2) Propellers or air screws and blades therefor, fuselages, hulls, wings, tail units, undercarriage units, and wheels for aircraft.
- (3) Aircraft engines, unassembled, assembled or dismantled.

**Category VI**

- (1) Livens projectors and flame-throwers.
- (2) (a) Mustard gas (dichlorethyl sulphide).  
(b) Lewisite (chlorvinylchlorarsine and dichlorovinylchlorarsine).  
(c) Methylchlorarsine.  
(d) Diphenylchlorarsine.  
(e) Diphenyleyanarsine.  
(f) Diphenylaminechlorarsine.  
(g) Phenylchlorarsine.  
(h) Ethylchlorarsine.  
(i) Phenyl dibromarsine.  
(j) Ethyl dibromarsine.  
(k) Phosgene.  
(l) Monochloromethylchlorformate.  
(m) Trichloromethylchlorformate (diphosgene).



- (n) Dichlordimethyl ether.
- (o) Dibromdimethyl ether.
- (p) Cyanogen chloride.
- (q) Ethylbromacetate.
- (r) Ethyliodoacetate.
- (s) Brombenzyleyanide.
- (t) Bromacetone.
- (u) Brommethylethyl ketone.
- (v) Chlorpicrin (nitrotrichloromethane).

#### Category VII

- (1) Propellant powders.
- (2) High explosives as follows:
  - (a) Nitrocellulose having a nitrogen content of more than 12 per cent.
  - (b) Trinitrotoluene.
  - (c) Trinitroxyline.
  - (d) Tetryl (trinitrophenol methyl nitramine or tetranitro methylanilin).
  - (e) Picric acid.
  - (f) Ammonium picrate.
  - (g) Trinitroanisol.
  - (h) Trinitronaphthalene.
  - (i) Tetranitronaphthalene.
  - (j) Hexanitrodiphenylamine.
  - (k) Pentaerythritetetrannitrate (penthrite or pentrite).
  - (l) Trimethylenetrinitramine (hexogon or T4).
  - (m) Potassium nitrate powders (black saltpetre powder).
  - (n) Sodium nitrate powders (black soda powder).
  - (o) Amatol (mixture of ammonium nitrate and trinitrotoluene).
  - (p) Ammonal (mixture of ammonium nitrate, trinitrotoluene, and powdered aluminium, with or without other ingredients).

### MR. NEWMAN TO VISIT DUTCH AND BRITISH GUIANA

Mr. G. A. Newman, Acting Canadian Trade Commissioner at Port of Spain, Trinidad, plans to visit both Dutch Guiana and British Guiana during July. According to his present tour schedule, he will be in Dutch Guiana from July 8 to 13 and in British Guiana from July 14 to 20.

Canadian exporters interested in the Dutch or British Guiana markets and wishing to have investigations made in their behalf are advised to communicate with Mr. Newman by airmail, supplying precise and full information. His address for letters is P.O. Box 125, Port of Spain, Trinidad.

### MR. COSGRAVE ON TOUR OF CANADA

Mr. L. M. Gosgrave, Canadian Trade Commissioner at Sydney, Australia (whose territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies), is on tour in the Dominion in the interest of Canadian trade with Australia. Following is his itinerary:—

Ottawa . . . . .	June 23 to 25	St. Catharines and district	July 18
Kingston and district . . . .	June 26	Welland . . . . .	July 19
Oshawa . . . . .	June 27 and 28	Kitchener and district. . .	July 21
Windsor and district. . . . .	July 14 and 15	Guelph. . . . .	July 22
London and district. . . . .	July 16	Hamilton and district. . .	July 23 and 24
Brantford and district. . . .	July 17	Toronto and district . . .	July 25 to Aug. 9

Firms wishing to be brought in touch with Mr. Cosgrave should communicate for Toronto, with the Canadian Manufacturers Association, and for the other centres with the respective Board of Trade or Chamber of Commerce.

## CANADIAN PLOUGHS ON THE SUSSEX DOWNS

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, May 23, 1941.—In accordance with the Government's policy of bringing under cultivation as much unused grassland as possible, the East Sussex War Agricultural Committee began work on the Sussex Downs in December, 1939, and to date have reclaimed for agricultural use approximately 3,500 acres of downland.

According to a news bulletin issued by the British Broadcasting Corporation, this particular portion of the Sussex Downs had not been cultivated for centuries, perhaps not since the Saxons came and opened up the weald nearly 1,700 years ago. Large stretches of it were covered with bramble, thorn and gorse, which in some places rose as high as five feet. For the most part, coarse grass overlay the remainder of the area, while valleys and steep slopes added to the natural difficulties encountered. The soils varied considerably in nature, and included thin chalky loams overlying chalk, sandy loams, sections of clay with flints, medium loams, and smaller areas of heavy clay.

A firm of steam-tackle experts were first consulted, and their opinion was that the land was unploughable, except at a prohibitive cost in labour and equipment. The East Sussex War Agricultural Committee undertook, however, to do the work, using standard general purpose Canadian tractor ploughs.

### METHOD OF OPERATION

Work was begun with ten tractors, and the number was increased throughout 1940 to a total of seventy. The ploughs were set to turn an 11-inch furrow with an average depth of 5 inches. The skim coulters were removed from the ploughs, it being found possible to achieve better results in burying the herbage by tilting the disc coulters several notches to land. The average rate of ploughing was  $2\frac{1}{2}$  acres per plough per day, but on occasion this figure was greatly exceeded, a result as high as  $4\frac{1}{2}$  acres having been obtained.

The turned-over grass was well covered by the methods employed, but the work called for intelligent setting of the plough to meet the special requirements. The operators were untrained before the war began, most of them being unemployed men, but they quickly acquired skill as well as enthusiasm for the work.

Despite the severe conditions under which the ploughs were used, breakages were very few, and the Agricultural Committee report that on the whole this Canadian equipment has proved extremely satisfactory.

## SOUTH AFRICAN IMPORTS OF LEATHER

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

Cape Town, May 9, 1941.—There is a substantial production of leather in the Union of South Africa, but imports continue in good volume, averaging in value about \$3,750,000 a year. Domestic production takes care of practically all requirements in sole leather and a substantial share of those in upper leather. Importations supplement domestic supplies of upper leather in such forms as calf, glace kid and patent, as well as lining leathers. Importations also continue of such types as bovine whole-hide leather, suede leathers and some miscellaneous types.

### IMPORTS

The South African statistics on importations of leather in the piece are published in fair detail. The following tables show the importation of main types of leather from the principal supplying countries in 1939 and 1940:—

*Imports of Leather into South Africa*

	1940		1939	
	Lb.	£	Lb.	£
<b>Bovine whole hides*—</b>				
Total . . . . .	635,456	272,039	476,948	225,310
United States . . . . .	117,660	69,105	28,467	19,747
Hungary . . . . .	115,956	58,993	113,572	45,837
Uruguay . . . . .	151,382	36,602	.....	.....
Argentina . . . . .	101,311	23,895	14	8
Netherlands . . . . .	37,760	23,404	218,937	102,535
Belgium . . . . .	21,228	14,098	18,302	11,490
Australia . . . . .	21,405	12,180	9,756	4,969
United Kingdom . . . . .	23,440	12,114	11,420	5,775
Canada . . . . .	15,000	11,105	712	624
India . . . . .	16,228	5,871	5	1
Brazil . . . . .	11,032	2,142	85	27
France . . . . .	3,054	1,630	6,453	2,865
<b>Glace kid—</b>				
Total . . . . .	289,380	175,141	311,427	165,487
United States . . . . .	104,703	79,804	90,367	59,203
United Kingdom . . . . .	78,685	41,319	89,470	41,101
France . . . . .	74,880	37,192	91,864	43,626
India . . . . .	30,003	16,190	11,717	5,171
Germany . . . . .	.....	.....	26,650	15,557
<b>Suede, velour and velvet finish—</b>				
Total . . . . .	50,929	31,227	83,953	47,469
United States . . . . .	27,076	14,783	9,086	4,626
Netherlands . . . . .	6,397	6,353	52,549	32,761
France . . . . .	6,003	3,071	999	497
United Kingdom . . . . .	4,221	2,602	680	180
Belgium . . . . .	2,215	2,067	7,862	4,018
Switzerland . . . . .	2,687	1,173	2,741	1,005
Australia . . . . .	1,601	730	647	242
Canada . . . . .	375	218	242	78
Germany . . . . .	.....	.....	7,111	3,029
<b>Patent and enamelled—</b>				
Total . . . . .	323,117	106,902	322,990	81,025
United Kingdom . . . . .	271,804	88,244	204,603	48,921
United States . . . . .	21,226	9,211	34,778	11,869
Uruguay . . . . .	7,921	2,256	15,819	3,105
Canada . . . . .	4,407	1,967	6,008	2,452
Australia . . . . .	8,751	1,809	31,317	5,913
Brazil . . . . .	3,688	1,341	3,193	1,019
Belgium . . . . .	2,145	788	9,890	2,306
Germany . . . . .	.....	.....	10,750	3,565
<b>Leather for lining—</b>				
Total . . . . .	635,797	126,921	653,808	102,665
United Kingdom . . . . .	476,620	104,269	517,657	87,350
France . . . . .	75,224	12,159	65,754	6,645
Australia . . . . .	37,732	4,909	2,139	241
India . . . . .	31,373	2,559	29,124	1,973
Netherlands . . . . .	500	108	25,338	4,199
<b>Other leather in the piece, n.o.p.*—</b>				
Total . . . . .	471,372	88,449	720,488	134,720
United Kingdom . . . . .	143,496	24,972	165,507	28,127
United States . . . . .	83,419	24,956	134,358	37,222
Australia . . . . .	110,063	14,823	70,565	7,222
Uruguay . . . . .	63,990	11,210	109,514	12,793
Argentina . . . . .	29,733	3,873	72,954	10,893
Canada . . . . .	12,133	2,385	1,842	470
India . . . . .	9,524	1,611	30,042	5,834
Hungary . . . . .	2,780	712	57,765	12,929
Netherlands . . . . .	233	125	16,417	5,050
Germany . . . . .	.....	.....	30,763	9,160

\*A change of classification was made in the statistics for 1940. Item 812 was previously headed "Calf" but in 1940 it was sub-divided into "Calf" and "Bovine Whole Hides and Skins". The entry under "Calf" for 1940 was nil, but, as imports of calf leather continue, it would appear that the new heading is intended to cover calf as well as other bovine hides and skins rather than the latter alone. There is also evidence which appears to indicate that some leather, presumably cowhide, previously entered under the miscellaneous heading "Other Leather in the Piece, n.o.p." may now be included under the first heading. The newly acquired importance of Uruguay and Argentina under the heading "Bovine Whole Hides" supports this view. Consequently the 1939 figures for "Bovine Whole Hides" may



not be contrasted with those for 1940, and for the same reason the 1940 figures in the table "Other Leather in the Piece, n.o.p." may not be contrasted with those for 1939, but the two tables may be taken together in contrasting imports for the two years.

Not included in the foregoing tables are a number of less important types of leathers, all in the piece, imported mainly from the United Kingdom. These are summarized in the following table:—

*South African Imports of Other Types of Leather*

	1940		1939	
	Lb.	£	Lb.	£
Morocco and imitation . . . . .	3,768	1,561	2,869	1,071
Pigskin . . . . .	19,073	4,400	7,702	2,233
Valve hide . . . . .	3,474	532	2,873	389
Sole and upper, n.o.p. . . . .	18,020	1,809	75,672	8,770
Horse hide . . . . .	8,167	3,378	20,360	5,408

The total quantity of leather imported in the piece showed a decrease of over 8 per cent, from 2,679,090 lb. in 1939 to 2,458,553 lb. in 1940. The total value of these importations, however, increased over 5 per cent, from £774,547 in 1939 to £812,359 in 1940. Thus the computed average unit c.i.f. cost of all types of leather increased from 5s. 9d. per lb. to 6s. 7d. per lb., or by about 14 per cent; this increase would probably be accounted for largely by increased costs of ocean transportation.

Canada supplied 31,950 lb. in 1940 as compared with 8,925 lb. in 1939. The total from Canada in 1940 comprised mainly bovine whole hides, patent leather and sundry leather; the imports of Canadian patent leather have been steadily decreasing. Canada accounted for slightly over 1 per cent of all leather imported in 1940.

EXPORTS TO SOUTH AFRICA FROM THE UNITED STATES

For reasons discussed below, the United States has become even more important than normally as a source of supply. It is useful, therefore, to study additional statistical details of the types of leather purchased from that country as indicated in the United States export statistics. In 1938 the United States exported the following amounts of leather to South Africa:—

*Upper Leather.*—Cattle side, grain, black, 5,059 sq. ft. (\$843); cattle side, grain, other, 39,641 sq. ft. (\$7,136); cattle side, splits, finished, 5,929 sq. ft. (\$1,074); cattle sides, splits, rough, nil; calf and kip, black, sides, 496 sq. ft. (\$171); calf and kip, black, whole skins, 277 sq. ft., (\$117); calf and kip, other, sides, 57,636 sq. ft. (\$14,500); calf and kip, other, whole skin, 160,929 sq. ft. (\$39,969); sheep and lamb, 50,766 sq. ft. (\$9,225); goat and kid, black, 215,457 sq. ft. (\$48,063); goat and kid, other, 695,302 sq. ft. (\$173,436); horse, nil.

*Patent Upper Leather.*—Cattle, 218,545 sq. ft. (\$43,525); whole calf and kip, nil; goat and kid, 5,520 sq. ft. (\$1,090); other patent upper leather, 9,823 sq. ft. (\$1,724).

*Lining Leather.*—Sheep and lamb, 27,306 sq. ft. (\$2,811); other lining leather, 1,611 sq. ft. (\$224).

*Sole Leather.*—Bends, backs and sides, nil; other sole leather, 829 sq. ft. (\$210).

*Boot and Shoe Cut Stock.*—Soles, 5 doz. prs. (\$19); other, \$127.

*Glove and Garment Leather.*—Sheep and lamb, 41,061 sq. ft. (\$4,006); pig and hog, nil; other glove and garment leather, 897 sq. ft. (\$224).

*Upholstery and Auto Leather.*—175,702 sq. ft. (\$34,997). Other leather, \$4,499.

## EXPORTS TO SOUTH AFRICA FROM THE UNITED KINGDOM

Similarly, examination of United Kingdom export statistics shows the following amounts of leather shipped to South Africa in 1939:—

*Sole Leather.*—Bends and butts, 31,696 lb. (£2,619).

*Upper Leather.*—Box and willow calf, 135,098 sq. ft. (£6,963); glace kid, 799,281 sq. ft. (£35,638); other upper leather, 2,265,729 sq. ft. (£48,217).

*Other Leather.*—Calf and kip, 545,624 sq. ft. (£16,837); sheep, goat and kid, 1,084,450 sq. ft. (£25,507); patent, etc., 1,117,792 sq. ft. (£46,248); sundry, 867,370 sq. ft. (£24,733).

## IMPORT DUTIES ON LEATHER

The customs import duties on leather have been revised in recent years. They are rather complicated at first sight, but actually work out quite simply, since some leathers are duty free and a number of types of leather may be imported free of duty provided the f.o.b. price is not below certain prescribed minima, as in the first list below. If these leathers are of prices below the set minima, they are dutiable at the rate of 20 per cent ad valorem or 6 pence per pound, whichever shall be the greater.

*Group A*

The following types of leather are duty free, provided the f.o.b. prices are not below those indicated:—

	Duty Free, provided F.O.B. Price per Sq. Ft. is not less than:
Horse hide . . . . .	9d.
Bovine (including calf) whole hides (excluding white) . . . . .	1s. 2d.
Kid or goat (except chamois) . . . . .	9d.
Sheep and lamb . . . . .	5d.
Suede, velour and velvet finish (except split hides, goat or sheep skins or chamois) and white calf . . . . .	1s. 0d.
Lining leather* even though alternatively classified elsewhere (but for lining of white sheep or lamb and split hide, see below) . . . . .	4d.
* Dutiable at 20 per cent ad valorem if the f.o.b. price is less than 4d. per square foot.	

*Group B*

The following classes of leather are dutiable at the rates indicated:—

	Rate of Duty
Bovine (including calf) whole hides, f.o.b. price less than 1s. 2d. but exceeding 8d. per square foot:	
(a) Measuring not more than 360 square feet per 12 hides, with no individual hide over 32 square feet . . . . .ad val.	20%
(b) Measuring more than 360 square feet per 12 hides. . . . .ad val.	3d.
Bovine (including calf) whole hides, f.o.b. price not exceeding 8d. per square foot . . . . .per sq. ft.	3d.
Lining leather of split hides . . . . .ad val.	20%
Flexible insole splits made from bends, f.o.b. price not less than 5d. per square foot† . . . . .ad val.	20%
Side leathers and bellies, shoulders and pieces (except white leather sides and sole leathers) . . . . .ad val.	20%
or per sq. ft.	3d.
	whichever shall be the greater
Sole bellies and shoulders, imported separately. . . . .ad val.	20%
Chamois leather, real or imitation. . . . .ad val.	20%
or per lb.	6d.
	whichever shall be the greater

† Otherwise 20 per cent ad valorem or 6d. per pound whichever shall be the greater.

*Group C*

The following classes of leather in the piece may be imported free of duty:—

Embossed and printed leather (except those with grains ordinarily produced in the Union, including bag grain, hog grain, pig grain, pebble grain, birdseye grain and box grain) and leather

ornamentally designed, oxidized and metallic finished and otherwise patterned on the surface by stencilling, painting and crushing;

Elasticized kid leather;

Real or imitation morocco, reptile, fish, frog, bird, seal, kangaroo or deer skin;

All patent and enamelled leathers;

Pigskin;

Valve hide;

White sheep or lamb lining leather.

### *Group D*

Any leather not included in the various classes listed above is dutiable at 20 per cent ad valorem or 6 pence per pound, whichever duty shall be the greater.

## EFFECT OF IMPORT DUTIES

The import duties are primarily protective of the South African tanning industry but are not purely prohibitive in character. The price minima incorporated in the duties set a value standard below which it is not profitable to import and above which competition with the domestic product on a purely cost basis is difficult. The result is that quality leather not too high in price is the favoured grade in imported leathers of the types listed in group "A" of the import duties detailed above. For example, one large importer states that at present the grades of box and willow calf which he desires from Canada should cost between 37 and 47 cents f.o.b. Canadian seaport, with 43 cents as a general average figure.

This feature is further strengthened under current conditions by the desire of importers to have in stock only such good but not overly expensive grades as will allow for possibilities of sale if market conditions should show any violent change.

The duties on the types of leather listed in groups "B" and "D" above are frankly prohibitive in order to protect the domestic industry, while the fact that there are no duties on the types listed in group "C" indicates that these are not yet made in any volume in South Africa. It is to be anticipated that group "C" will gradually diminish as South African production expands to include these classes of leather, and that each type at present imported free of duty will in such event be transferred to one of the other categories.

## LEATHER PRODUCTION

According to the 1936-37 Census of Industrial Establishments in South Africa, there were at that time 25 tanneries with 1,689 employees. These plants used materials valued at £806,855 (75 per cent of which were South African) and produced goods valued at £1,084,078. The types of products included: sole leather, vegetable tanned, 9,196,088 lb. (£518,314), and chrome tanned, 1,834,492 lb. (£111,365); upper leather, vegetable tanned, 1,728,364 sq. ft. (£69,406), and chrome tanned, 5,344,046 sq. ft. (£225,619); harness and suitcase leather, vegetable tanned, 1,132,000 lb. (£92,000), and chrome tanned, 113,000 lb. (£6,000); other leather, vegetable tanned, 109,000 lb. (£4,000), and chrome tanned, 70,000 lb. (£3,000); 114,396 tanned skins valued at £34,755; and also other products valued at £18,690. It is understood that the production of upper leather has been extended in relation to sole leather, and that activity arising from war requirements has increased all leather production.

## LEATHER CONSUMPTION

Obviously total leather consumption must be approximately equivalent to the total of leather production and importations. The Census of Industrial Establishments for 1936-37 gives useful indication as to the proportions of the total amount used by each of the important leather-consuming industries. In that twelve-month period the boot and shoe factories used South African leather



to the value of £796,000 and imported leather worth £544,000.\* Boot and shoe repairing establishments used £22,000 worth of South African leather and about £1,000 worth of the imported product. Harness and suitcase manufacturers used South African leather to the value of £113,000 and imported leather to the value of £19,000. Portmanteaux and bags of fibre have become increasingly popular in the past five years, and the value of production of this class now exceeds that of leather portmanteaux by about three and a half times.

### GENERAL MARKET SITUATION

While no statistics of domestic leather production in 1940 will be available for some time, there is abundant evidence that the South African tanneries and boot and shoe factories are working well up to capacity. The increasing delays and other difficulties in importing leather footwear bring about a slowly increasing turn, on the part of users of leather, to the domestic product. The boot and shoe factories, in addition to normal output, have been occupied in producing boots for the South African fighting services and have also been awarded contracts for military boots for United Kingdom forces (one group contract was for 100,000 pairs). It is understood that all military boots are made from South African leather. Nevertheless, imports continue on a substantial scale, and it is not anticipated that the demand for imported leathers as a whole will diminish materially for the present, unless shipping or other difficulties make imports impossible.

The shipping shortage is greatly hampering imports, nor are Canada and the United Kingdom the only countries thus affected. Supplies from Australia are spasmodic, and imports from India are not increasing as they might if shipping were available. Even South American countries are unable to capitalize on the cutting-off of European supplies, since they are dependent on the Japanese vessels crossing the South Atlantic, which do not offer the amount of space nor service required.

The United States can provide some regularity and frequency of delivery, and orders are therefore being directed more and more to that country, specially since the last quarter of 1940. Even during that year, when imports of all classes of leather decreased by 8 per cent in volume, importations from the United States increased from a total of 299,949 lb. in 1939 to 367,570 lb. in 1940, or by over 22 per cent. In general, United States leather appears to be satisfactory, but the calf is regarded as being too hard. The fact that it has had its elasticity largely taken out, in order to permit of the manufacture of a shoe that will fit accurately, is of no interest; the South African public like soft and elastic shoes, and the leather purchased must fill this requirement.

### NORTHERN IRELAND FINANCES

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, April 30, 1941.—According to the Northern Ireland budget, which was submitted yesterday, the estimated revenue for the coming year is £27,596,000; expenditure, £19,066,000; and the annual contribution to the Imperial Treasury (the excess of revenue over expenditure), £11,750,000. This last figure includes this year an estimated additional expenditure by Northern Ireland of £3,297,000 on war services, chiefly for civil defence, and a provisional surplus of some £77,000. The large Imperial contribution is thus nearly double last year's high total of £6,000,000.

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\*Details of the production of boots and shoes in South Africa are given in a recent report entitled "Leather Footwear in South Africa", published in *Commercial Intelligence Journal* No. 1941 (April 12, 1941).

Taxation in Northern Ireland is largely identical with that of Great Britain, income tax, customs, stamp and estate duties, etc., being levied and collected in London. The only changes announced are of an alleviating nature viz.:—

Reduction to 5s., as from April 30, of the rate of tax on agricultural tractors used by farmers for hauling from one part of a farm to another part of the same farm agricultural produce or articles required for the farm. This concession, operating in Britain, does not alter the other rates of duty for such tractors and will cost the Exchequer £7,000 yearly.

Trailer pumps used for A.R.P. purposes are to be free of the trailer tax.

Exemption from aggregation for the purpose of estate duty of gifts made to the Exchequer, and less rigid interpretation of the words "partly educational" in regard to entertainments run by a non-profit-making society, in order to secure exemption from entertainments duty.

Reviewing coming expenditure, the Minister of Finance said that public services totalled approximately £14,605,000, an increase of about £1,150,000.

The annual payment to Britain of the "new" land purchase annuities and the loans to local authorities prior to the transfer of services to Stormont, was estimated at £343,000.

The sum of £500,000 was being provided for meeting further services in connection with civil defence and it was expected that under the Unemployment Reinsurance Agreement the British Exchequer would contribute £500,000 as compared with £1,402,000 last year.

## LIVE-STOCK SITUATION IN THE UNITED STATES

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, June 6, 1941.—The Bureau of Agricultural Economics of the United States Department of Agriculture has recently released figures which indicate that there have been considerable changes in the live-stock situation during the current year.

### Hogs

A report from this office on the hog situation, which was published in *Commercial Intelligence Journal* No. 1938 (March 22, 1941), page 350, stated that the 1940 hog market had been greatly disturbed by the excessive production of previous years. Because of reduced prices, 1940 hog production had been very low, with gradually mounting prices at a time when the movement in Canada was in the opposite direction.

It takes a considerable length of time to change such a trend. The autumn output of pigs in 1940 was 13 per cent smaller than that of the previous year. Since conditions are now such as to encourage the raising of hogs, a large proportion of these will be bred for farrow this fall. Consequently, in addition to the reduced hog population, a smaller proportion of hogs will be marketed, indicating a continued tight situation until the end of this marketing year.

Additional factors in the situation are the recent purchases of pork and lard by the United States Department of Agriculture and the increased imports from Canada, resulting from the price differential between the two countries.

### COLD-STORAGE HOLDINGS

At the beginning of May, cold storage holdings of pork throughout the United States were reported to be 795,700,000 pounds as against 612,000,000 pounds at the same date last year and 561,000,000 pounds in the previous year. Holdings of lard amounted to 320,000,000 pounds as against 266,000,000 and 129,000,000 respectively.

Thus, whereas production of pigs decreased throughout 1940 hog marketings continued to increase, due to the large number of porkers raised in the immediately preceding years. At the same time market prices were following an upward trend that had already discounted the forthcoming shortage of marketable hogs.

The number of hogs slaughtered from October, 1939, to September, 1940, was 47,651,000 with an average weight of 234 pounds. From October, 1940, to the end of March, 1941, the number of hogs slaughtered was 28,111,000, or at the rate of 56,000,000 for the whole year. However, it is not likely that more than 18,500,000 hogs will be marketed during the second half of the season. Cold-storage holdings might, therefore, be called upon for an additional 500,000,000 pounds of pork, thus reducing storage holdings at the end of September to around 300,000,000 pounds, the lowest in many years.

#### IMPORTS

Although imports from Canada are negligible as compared with United States production, they are nevertheless of importance to Canadian economy. During the first quarter of 1941, imports from Canada of pork totalled slightly over 4,000,000 pounds as against 500,000 pounds during the corresponding period of the previous year. During the first four months of 1941, imports of live hogs numbered 12,000 as compared with less than 1,600 during the same period in 1940.

#### PRICES

As long as the supply situation in Canada permits, it will be possible to continue marketing pork products in the United States, due to the current high prices. The average price of all purchases on the Chicago market during April was \$8.37 per 100 pounds live weight as against \$5.43 during the same month last year. The price has been increasing since then, top hogs at Chicago selling at around \$9.20 on May 17. One of the most important factors in this increase is the government purchasing program, which has earmarked from April 3 to May 16 a total of 120,000,000 pounds of pork holdings, or about 15 per cent of total stocks.

#### CATTLE

As against the firmness of the hog market, the cattle market has shown a declining tendency. Slaughter supplies for the current year are expected to be 5 per cent higher than for 1940, largely owing to more liberal supplies of grain-fed cattle in the corn belt.

The number of cattle had been greatly reduced during the four years up to 1938, following two years of severe drought. Slaughtering was relatively high, and it has taken about three years to build up the herds again to the point where the number is now greater than at any time since 1934. On this account, supplies for slaughter are liberal, and marketings should be higher throughout 1941 than they were in 1940, possibly by as much as 5 per cent. However, improved consumer demand may very well offset this increase, and cattle prices should improve substantially.

The number of cattle slaughtered in April, 1941, totalled 792,000 as against 774,000 during the same month in 1940. Calves slaughtered came to 507,000 as against 480,000.

The price in April, while higher than that for the preceding year, was lower than for preceding months of 1941. The price of choice and prime steers in Chicago was \$12.57 per 100 pounds live weight as against \$11.47 at the same time last year, and as compared with \$12.80 in March of this year and \$13.56 in February.

#### IMPORTS

During the first quarter of 1941 imports of cattle weighing over 700 pounds (exclusive of dairy cattle) totalled 35,000 head. Imports of feeder cattle



and calves weighing under 700 pounds during that period totalled 185,000 head, so that total imports of all cattle were 225,000 head as against 152,000 head during the same period of the previous year.

In addition, 17,530,000 pounds of canned beef were imported during the period as against 19,609,000 pounds during the corresponding period of 1940. Imports of beef and veal, fresh, pickled and cured, amounted to 9,564,000 pounds as against 1,013,000 pounds.

Live cattle come altogether from Canada and Mexico. During the first quarter of 1941, imports of cattle weighing over 700 pounds from Canada amounted to 23,000 head as against 19,000 head in the same period of the previous year, while imports of cattle weighing less than 700 pounds totalled 12,000 as against 10,000. Since then, however, there has been a considerable increase in imports, and the number for the period from January 1 to May 5, 1941, was 32,926 head weighing over 700 pounds and 49,380 head weighing under 700, or a total of 82,000 head.

#### LAMBS

The total of stock sheep and lambs on farms has not fluctuated greatly in the last ten years, but the 1940 lamb crop of 32,700,000 head was the largest in seventeen years.

Although supplies are plentiful, early lambs have been kept off the market, and it is expected that there will be relatively large marketings in June. Current prices are about \$11.69 per 100 pounds live weight in Chicago for good and choice spring lambs.

### BUSINESS CONDITIONS IN THE WESTERN UNITED STATES

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, May 27, 1941.—During the first quarter of 1941 there was a continuance of the conditions described in the report published in *Commercial Intelligence Journal* No. 1935 (March 1, 1941). As in other parts of the United States, industry in this area is passing through a period of readjustment from the years of sluggish activity to a period in which the demand exceeds the capacity of present production, and one of the most pressing problems is the danger of sharp price increases. The passage of the Lend-Lease Bill has added to the pressure on industry, and further expansion, with resultant increased pay-rolls, may be expected. Shortages of certain materials, skilled workmen and shipping space are beginning to be felt.

Industrial operations, building activity, incomes (other than farm income) and retail trade in the Western United States are at record levels. A report of the Federal Reserve Bank of San Francisco, dated May 1, instanced factory pay-rolls as a fair index of the general industrial expansion since June, 1940, when the defence program was initiated. At the end of March, 1941, factory wages in the Pacific Coast area, exclusive of wages in the canning industry, totalled approximately \$16,000,000 a week, or almost 50 per cent greater than in March, 1940, and 33 per cent above the previous weekly high of \$12,000,000 reached in June, 1937. The aircraft and shipbuilding industries, which employ about one-fifth of the area's factory workers, are mainly responsible. In California, pay-rolls in these industries are 175 to 220 per cent higher than a year ago. Sub-contractors, lumber and building suppliers, construction and other suppliers of these two key defence industries have also benefited from and contributed to the higher pay-rolls.

Retail business is exceptionally good. The value of department store sales in March was 13 per cent higher than in March, 1940, and higher than the record for the past ten years. Automobile sales are higher than for any comparable period in history and 45 per cent above last year.

The table hereunder shows the main business indices (1923-25 average equals 100) of conditions in the eleven Western States as compiled by the Federal Reserve Bank of San Francisco:—

	March, 1940	March, 1941
Lumber .. . . .	85	106
* Refined oils .. . . .	153	158
Cement .. . . .	107	130
Wheat flour .. . . .	122	120
* Petroleum .. . . .	91	93
Residential building permits .. . . .	58	73
* Public works contracts .. . . .	116	291
Electric power production .. . . .	227	252
Employment .. . . .	121	155
Payrolls .. . . .	119	174
Department store sales .. . . .	102	111
Department store stocks .. . . .	63	65
Furniture stores sales .. . . .	85	99
* Automobile sales .. . . .	119	174
Carloadings .. . . .	87	104
Intercoastal traffic .. . . .	70	58

\* Without seasonal adjustment.

### CONSTRUCTION

New private residential building, which usually declines during the winter months, showed a considerable advance this year. Defence housing projects started in the Western States since October last year provided for 8,000 units at a value of \$26,000,000.

### LUMBER

Despite the more spectacular expansion of the aircraft and other industries in recent years, the logging camps, saw and planing mills of the seven Western States have employed more labour, paid more wages and had a higher annual value of output than any other single manufacturing industry in these states. An average of 115,000 workers were employed in 1940, wages amounted to almost \$180,000,000 and production to \$500,000,000.

Beginning about June, 1940, the West Coast lumber industry was expanded substantially to show a production gain of 30 per cent at the end of 1940. The customary seasonal decline in January did not take place, and unfilled orders were 60 per cent greater than in June. Prices increased sharply, amounting to as much as 40 per cent in the case of Douglas fir.

### OIL

The petroleum industry has reduced the stocks which have been such a burden for the past few years. Heavy fuel oil stocks have fallen from a year's supply to the equivalent of eight months' needs on the basis of the 1941 demand. Inventories of other petroleum products are still high but are being reduced by increased domestic consumption. The production of crude and refined oils is being effectively restricted. The oil companies raised retail prices for gasoline at the end of the first quarter.

### AGRICULTURE

Unusually heavy rains were experienced during the winter months in California, Arizona, Nevada and Utah. In Washington and Oregon precipitation was below normal. The whole western area had higher than usual temperatures. It is expected that water for irrigation will be more than adequate except in some districts of the Pacific Northwest where a shortage might develop later in the year. In general, however, crop prospects are considered to be good.

The curtailment of foreign markets is the most unfavourable factor in the outlook for West Coast agriculture at the present time. Domestic demand has improved under the stimulus of increased purchasing power provided by the

defence program. Farm income during the first quarter of this year was 5 per cent higher than during the same period of 1940. Live-stock conditions are especially good, and returns to cattle and dairymen are higher with production costs about the same as last year. Prices of meat animals, dairy products, wool and other live-stock products averaged about 10 per cent above last year's.

The estimated production of citrus fruits in Southwestern United States, principally in California and Arizona, during the present crop year, which ends October 31, is tabled below with the 1940 actual and the 10-year average figures for comparison:—

	Average 1930-39 Figures in	1940 Thousands of	Indicated 1941 Boxes
Grapefruit . . . . .	2,892	4,875	4,640
Lemons . . . . .	8,233	11,963	13,588
Oranges . . . . .	35,170	44,924	49,357
Navels . . . . .	15,340	18,041	20,575
Valencias . . . . .	19,830	26,883	28,782

With abundant supplies and good demand, shipments and average prices of oranges are about 20 per cent, and the growers' income is about 40 per cent higher than during the first months of last season. Lemon production in California has increased steadily in the past few years, and the current season's crop is expected to be 13 per cent above last year's and 66 per cent above the 10-year average. Larger quantities are being diverted to by-products, but supplies of fresh fruit are still large, and prices remain low. Returns to lemon growers are 15 per cent below those of the same period last year.

### WINE

Reduced imports from abroad and promotional activities gave the California wine industry, which supplies over 80 per cent of the United States domestic demand, its biggest year in history during 1940. Consumption of California wine totalled more than 75,000,000 gallons, of which about 20,000,000 was dry and over 55,000,000 gallons sweet wine.

### SHIPPING

The President's request for ships to make up the 2,000,000 ton shipping pool is expected to have an important effect on shipping on the West Coast. There are about 100 ships engaged in the intercoastal service (i.e. East Coast to West Coast and vice versa), and shipping lines have signified their willingness to turn over 40 of these ships to the pool. This will inevitably accentuate the shortage of intercoastal shipping space and provide still more traffic for the railways, which are already enjoying a heavy movement resulting from the defence program. Rail traffic will also be materially affected by a plan to discharge trans-Pacific cargoes at West Coast ports and ship to the Eastern industrial centres by rail. The purpose of the plan is to eliminate the long trip through the Panama Canal and thus speed up deliveries of rubber, tin and other essentials from the Far East.

### BANKING AND CREDITS

Bank loans for industrial and commercial enterprises continued to increase during the first quarter as in the last half of 1940. At the end of April the volume of such loans was about 20 per cent greater than a year ago. Loans on real estate and financial transactions were about the same. Of the total bank loans for all purposes in the Western United States, amounting to over \$2,000,000,000 at the end of December, 13 per cent were for personal and retail instalment purchasing.



## FOREIGN TRADE

Pacific Coast exports for the first quarter of the year showed a decline of \$21,000,000, or 5 per cent, in value as compared with the same quarter of 1940. The value of imports increased by \$1,500,000. Figures of the import and export trade by ports are given below:—

	Exports January-March		Imports January-March	
	1940	1941	1940	1941
Total California . . . . .	\$78,656,743	\$56,313,774	\$45,379,419	\$45,130,974
Los Angeles . . . . .	43,879,902	30,080,200	20,614,423	19,612,931
San Francisco . . . . .	33,242,053	24,459,188	23,963,297	24,780,299
San Diego . . . . .	1,534,788	1,774,386	801,699	737,744
Oregon . . . . .	6,558,957	9,657,883	1,652,105	1,414,134
Washington . . . . .	17,854,260	16,843,179	9,309,647	11,312,544
Total Pacific coast . . . .	\$103,069,960	\$82,804,836	\$56,341,171	\$57,857,652

Trade between Pacific Coast ports and Canada during the first quarter of this year, as compared with the same period last year, is shown in the following table:—

	Exports to Canada January-March		Imports from Canada January-March	
	1940	1941*	1940	1941*
Total California . . . . .	\$2,767,344	\$2,051,016	\$1,259,877	\$1,922,577
Los Angeles . . . . .	1,881,967	1,306,049	842,489	1,400,574
San Francisco . . . . .	885,377	744,279	417,117	520,362
San Diego . . . . .	.....	688	271	1,641
Oregon . . . . .	.....	125,000	37,300	6,015
Washington . . . . .	3,768,797	4,599,778	5,068,327	5,631,694
Total Pacific coast . . . .	\$6,536,141	\$6,775,794	\$6,365,504	\$7,560,286

\* Estimated.

## TOURIST TRAFFIC TO CANADA

There is evidence of considerable interest in the Canadian travel advertisements appearing currently in the national and local magazines and newspapers of the United States, and travel bureaux report a pronounced increase over last year in the number of inquiries for information concerning travel in Canada. These inquiries are, of course, principally from intending motor tourists; in fact firm rail transportation inquiries are reported to be fewer in this area than last year.

While the widespread advertising campaigns of federal, provincial, municipal and other Canadian travel agencies, as well as the generous efforts of sympathetic Americans have no doubt done much to remove the misunderstandings concerning border regulations and wartime conditions in Canada, the actual decision to visit Canada, especially from points at distances of a day or more by car from the border, will depend upon such things as the war situation and the resultant degree of nervousness, domestic factors such as the compulsory service and its effect on the young men in American homes, the accelerated defence program, and whether or not the intending tourist can be spared from his job. However, it is generally agreed that the interest in travel to Canada was never more keen and that the volume of travel should be good this year unless some new crisis at home or overseas occurs.

## SECOND OFFICIAL ESTIMATE OF THE ARGENTINE MAIZE CROP

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes under date May 30, 1941, that the second official estimate of the 1940-41 maize crop is 411,468,750 bushels as against 417,375,000 according to the first estimate. Final estimates of the five previous crops were: 1939-40, 408,515,625 bushels; 1938-39, 191,520,000 bushels; 1937-38, 174,195,000 bushels; 1936-37, 340,208,662 bushels; and 1935-36, 395,766,236, giving an average for the five-year period, 1935-40, of 302,041,104 bushels.

**MEXICAN MARKET FOR COCOA**

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, June 3, 1941.—In view of the fact that Dutch brands of cocoa are no longer obtainable for the Mexican market, some Mexican importers have shown an interest in Canada as a source of supply.

This cocoa should be shipped in tins or paper containers of different sizes in order to compete with established brands such as Hershey's and Baker's. There is no market for prepared chocolate drinks, and there is no demand for finished food products.

Cocoa, like all other food products, must be registered with the Mexican Department of Public Health before it can be imported into this country. It is therefore necessary for a Canadian exporter to appoint an agent in Mexico to register his product and control sales.

**TYPES AND PRICES**

At present the principal shippers of cocoa to this market are United States firms. The type of cocoa powder required is No. 389. The leading imported cocoas of this type sold in Mexico are manufactured by Rockwood & Co., of Brooklyn, which are sold at 9·6 cents (United States currency) per pound, c.i.f. Veracruz, less 4 per cent discount. Cocoa sold on this market is supposed to contain 20 per cent cocoa butter. It is shipped in barrels of 200 pounds.

Canadian firms quoting c.i.f. Montreal cannot sell in this market, as all firms selling in Mexico quote c.i.f. Veracruz. Prices quoted by one United States firm are as follows: U.S.\$1.52 per carton of one dozen one-pound tins; U.S.\$1.82 per carton of two dozen ½-pound tins; U.S.\$1.12 per carton of two dozen ⅓-pound tins, all c.i.f. Veracruz.

Considerable time and effort is required to properly introduce a new brand in Mexico, and Canadian firms must offer at prices that are an inducement to importers to purchase brands that are new to Mexico.

**IMPORTS**

Imports of cocoa into Mexico in 1939 and 1940 are shown in the following table:—

	1939		1940	
	Kilos	Pesos	Kilos	Pesos
United States . . . . .	793,778	587,752	802,928	601,425
France . . . . .	245	453	.....	.....
Great Britain . . . . .	.....	.....	3	561
Guatemala . . . . .	32	18	11	12
Nicaragua . . . . .	.....	.....	1	5
Dominican Republic . . . . .	.....	.....	120,448	49,834
Venezuela . . . . .	.....	.....	4	15
Totals . . . . .	794,055	588,223	923,395	651,852

Imports in January and February, 1941, totalled 10,501 kilos and 18,182 kilos respectively, practically all of which came from the United States.

**COCOA BUTTER**

There is a market in Mexico for cocoa butter also, and Canadian exporters in a position to quote prices c.i.f. Mexico are invited to communicate with the Canadian Trade Commissioner's office in Mexico City.

## DUTIES

Following are the rates of duty on the various classifications under which cocoa is imported into Mexico: Cocoa priced up to 2·70 pesos per kilo, 1·90 peso per kilo gross weight; cocoa priced above 2·70 pesos per kilo, 0·95 peso per kilo gross weight; cocoa in powder, mixed with flour, with or without sugar, 2·50 pesos per kilo legal weight.

## MEXICAN MARKET FOR ELECTRIC FANS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, June 5, 1941.—Electric fans and ventilators can no longer be imported into Mexico from Germany, and inquiries have been received from Canada concerning the possibilities of the market in this country for these products.

Mexican importers are chiefly interested in a cheap, non-oscillating type of fan; exhaust fans, window and floor fans, and wall-type fans are not in large demand. In order to compete successfully in this market a manufacturer must produce a full range of fans and ventilators.

## IMPORTS

As stated in a report entitled "Market Conditions in Mexico for Industrial Electrical Equipment and Household Appliances", published in *Commercial Intelligence Journal* No. 1917 (October 26, 1940), the imports in recent years into Mexico of electrical fans for domestic use were as follows: 1939, 63,125 kilos (of 2·2 pounds); 1938, 45,421 kilos; 1937, 40,191 kilos; 1936, 30,409 kilos.

Before the outbreak of war the majority of the fans imported into Mexico came from the United States, but Germany supplied about 10 per cent of the total imports. There was keen competition between the United States and Germany for the very low-priced fan, which is the leading seller. Ventilating fans of the wall and window types are only used in the kitchens of restaurants and hotels, not in private apartments.

## TYPES IN DEMAND

The types of fans sold in Mexico, together with the percentage of total sales credited to each type, are shown in the following table:—

Type of Fan	Per Cent of Total Sales
1. 8-inch non-oscillating table fans (at a low price).....	35
2. 10-inch oscillating table fans .....	20
3. 12-inch oscillating table fans .....	15
4. All sizes of exhaust fans (window types and wall types).....	12
5. Ceiling fans of different types.....	10
6. 10-inch non-oscillating table fans .....	5
7. Floor type fans .....	2
8. 12-inch non-oscillating table fans .....	1

These percentages are, of course, only estimates. They have been supplied by an engineer of many years' experience in selling electrical appliances, but are probably as nearly accurate as can be obtained.

## DUTY

The duty on electric fans and ventilators, each weighing up to 20 kilos (44 pounds), is 0·80 peso per kilo (8·3 cents per pound) legal weight.



## TRADE OF NETHERLANDS INDIA IN 1939

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

(One florin or guilder equals \$0.55 Canadian; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds)

Singapore, April 8, 1941.—Preliminary statistics relating to the trade of this territory were quoted in a report entitled "Trade and Economic Conditions in Netherlands India in 1939", which was published in *Commercial Intelligence Journal* No. 1929 (January 18, 1941). Detailed statistics which have more recently become available are analysed herein.

Netherlands India's total trade amounted in value to 107.2 per cent of that in 1938. The table hereunder compares the value of total trade for 1939 (excluding bullion shipments) with that of preceding years:—

### *Netherlands India Trade Statistics*

	1929	1935	1936	1937	1938	1939
	Figures in Millions of Guilders					
Imports . . . . .	1,166	273	282	491	478	472
Exports . . . . .	1,488	446	538	951	658	746
Total trade . . . . .	2,654	719	820	1,442	1,136	1,218
Excess of exports . . . . .	322	173	256	460	180	274
Imports as a percentage of exports	78.5	61.2	52.4	51.6	72.6	63.3

### EXPORTS

In volume, exports from Netherlands India during 1939 amounted to 110 per cent of those for 1938 (1939, 12,102,764 metric tons; 1938, 10,994,430 metric tons). The value of exports in 1939 was 113.4 per cent of the total export value for 1938, or Canadian \$410,479,850 as compared with \$361,787,000. As usual, exports from the Outer Provinces were responsible for the largest share of these totals, comprising 63.5 per cent on a value basis and 77.1 per cent by volume. The principal destinations of these exports, in order of their importance, with the percentage share absorbed by each were: United States (19.7 per cent), Singapore (16.7), Holland (14.6), Australia (4.6), United Kingdom (4.6), Japan (3.3), British India (3.1), and Egypt (3 per cent).

The following table shows the principal exports from Netherlands India, by commodity groups, during the years 1937 to 1939 inclusive:—

### *Exports by Commodity Groups*

	1937	1938	1939	1937	1938	1939
	Gross Weights in 1,000 Kilos			Value in 1,000 Guilders		
Animal products and their manufactures . . . . .	42,047	32,589	33,352	12,577	8,022	8,426
Rubber and gutta-percha . . . . .	483,160	331,243	420,813	298,118	135,384	196,528
Drugs and spices . . . . .	108,445	139,032	148,687	26,589	30,230	28,813
Coffee, all kinds . . . . .	100,523	70,107	66,946	26,048	13,708	11,851
Oil seeds and vegetables containing oil	857,989	919,768	891,513	104,658	65,778	49,281
Sugar, all kinds . . . . .	1,365,276	1,196,538	1,606,850	51,109	45,220	78,037
Tobacco, all kinds . . . . .	50,173	50,309	35,438	41,088	38,849	26,925
Tapioca products . . . . .	446,664	266,563	289,030	18,383	9,198	9,901
Tea . . . . .	75,934	81,844	83,653	49,081	56,243	57,072
Fibres, all kinds . . . . .	114,046	113,359	138,299	23,393	16,098	19,734
Other vegetable products . . . . .	1,054,045	878,873	902,943	37,773	29,185	29,056
Mineral oil and products . . . . .	6,289,817	6,434,930	7,036,348	166,615	164,018	158,989
Cement, ores, base metals and sulphur . . . . .	437,452	466,823	431,938	91,399	39,395	64,196
Goods of sundry nature . . . . .	6,197	7,282	10,955	3,036	3,947	4,349
Foreign products except gold and silver . . . . .	4,954	5,173	5,998	1,351	2,521	3,168
Gold and silver . . . . .	60	71	50	12,193	12,093	7,249

### EXPORTS TO CANADA

In value, exports to Canada were only 70 per cent of those for 1938, being fl.857,000 (Canadian \$471,350) as against fl.1,225,000 (Canadian \$673,750).

This shortfall is largely accounted for by reduced shipments of rubber, coconut oil and palm oil. Following is a table showing exports to Canada during 1939, with, for purposes of comparison, total exports to all destinations of the same commodities:—

*Principal Exports and Exports to Canada in 1939*

	Total Exports		Exports to Canada	
	M. Tons	Guilders	M. Tons	Guilders
Total . . . . .	12,102,764.3	746,326,900	9,011.0	857,000
Caoutchouc, hevea-rubber, sprayed and sheets (estate) . . . . .	180,047.7	92,631,949	5.6	2,660
Gutta-percha, cultivated . . . . .	316.9	528,378	3.3	5,335
Cinnamon-cassia . . . . .	3,005.4	930,582	57.7	13,103
White pepper . . . . .	15,238.0	2,878,879	208.9	40,860
Black pepper . . . . .	55,847.4	6,783,792	618.3	83,958
Vanilla . . . . .	8.0	67,936	0.5	3,604
Gum copal (loba) . . . . .	5,612.3	654,343	27.0	2,720
Gum copal (dust) . . . . .	1,343.4	101,548	10.4	1,052
Arabica coffee (shelled) . . . . .	6,201.6	2,595,993	28.4	13,384
Gambir in blocks . . . . .	5,399.2	1,148,565	81.1	19,070
Groundnuts (shelled) . . . . .	13,585.8	1,212,993	50.7	4,486
Kapoc seed oil . . . . .	6,597.6	503,993	217.1	13,768
Coconut oil . . . . .	9,453.5	879,076	1,285.3	120,051
Palm oil . . . . .	231,768.7	15,772,814	2,500.3	172,891
Citronella oil . . . . .	3,071.2	2,149,582	3.8	2,554
Tapioca flour . . . . .	202,846.8	7,131,712	1,383.6	48,236
Tapioca flakes and siftings . . . . .	8,413.4	491,414	82.3	4,400
Tapioca pearl and seeds . . . . .	12,096.7	731,084	876.4	53,022
Tea . . . . .	81,087.0	55,544,949	91.7	63,922
Fibres . . . . .	108,036.2	10,477,693	1,274.2	129,333
Kapoc (unseeded) . . . . .	21,282.0	8,542,213	119.3	47,794
Pandan hats . . . . .	919.9	187,342	43.8	5,801

IMPORTS

Imports into Netherlands India during 1939 totalled in value Canadian \$259,843,650 as compared with \$263,147,500 in the preceding year, although by volume, at 2,063,728 metric tons, they were some 60,000 metric tons greater than in 1938. Principal sources of origin of these imports were as follows: Holland (21 per cent); Japan (18); United States (13.5); Germany (8.7); Singapore (7.1); United Kingdom (7); Australia (3.2); Belgium and Luxembourg (2.6); China (2.1); British India (1.9); and France (1.9 per cent).

IMPORTS FROM CANADA

Imports from Canada, valued at fl.3,511,000 (Canadian \$1,931,050) were less by fl.156,000 (Canadian \$85,800) than in 1938. The principal items involved, with quantities and values, are listed in the following table, with comparative figures for 1938:—

*Imports from Canada into Netherlands India*

	1938		1939	
	Quantity	Guilders	Quantity	Guilders
Total . . . . .Kg.	9,529,000	3,667,000	13,044,000	3,511,000
Passenger cars . . . . .No.	1,011	1,577,588	1,084	1,630,340
Sulphate of ammonia . . . . .Kg.	3,031,017	193,274	6,414,176	413,930
Chassis for trucks . . . . .No.	465	650,240	193	268,307
Newsprint . . . . .Kg.	1,218,322	155,734	1,756,028	199,139
Trucks . . . . .No.	160	239,427	122	190,134
Automobile accessories . . . . .Kg.	121,965	138,491	131,981	141,998
Automobile engines and parts . . . .Kg.	110,205	147,525	90,092	129,131
Cotton fabrics, miscellaneous . . . .Kg.	18,829	20,204	72,764	72,902
Canned milk, miscellaneous, including powdered . . . . .Kg.	1,666	1,661	62,827	64,126
Timber, sawn . . . . .Kg.	202,831	20,651	908,157	54,813
Wheat flour . . . . .Kg.	918,608	63,423	809,664	53,055
Tires for automobiles . . . . .No.	4,398	85,917	2,917	50,101
Pulp for paper manufacture . . . .Kg.	448,270	49,378	218,796	17,867
Acetic acid . . . . .Kg.	.....	.....	45,000	15,741

	1938		1939	
	Quantity	Guilders	Quantity	Guilders
Belting . . . . .	Kg. 8,942	9,551	14,179	14,297
Chassis for passenger cars . . . . .	No. 8	7,967	15	12,736
Tubes for automobiles . . . . .	No. 2,001	11,926	1,850	11,886
Electric cables . . . . .	Kg. . . . .	. . . . .	18,365	11,813
Automobile batteries . . . . .	Kg. 21,046	9,573	23,028	11,316
Sodium cyanide . . . . .	Kg. . . . .	. . . . .	39,589	9,054
Miscellaneous building boards . . . . .	Kg. 34,464	6,885	35,986	7,245
Canned sardines . . . . .	Kg. 70,967	15,189	20,694	6,937
Macaroni and vermicelli . . . . .	Kg. 18,929	5,413	23,204	6,782
Sauces . . . . .	Kg. 10,516	3,016	21,720	6,107
Tacks and nails, in cases . . . . .	Kg. 21,255	9,689	12,818	5,605
Outer clothing for men and boys . . . . .	Kg. 1,939	7,970	1,337	5,511
Fish, fresh, frozen, etc. . . . .	Kg. 3,588	4,586	7,353	5,291
Lead and lead alloys . . . . .	Kg. 21,507	5,808	17,572	4,611
Street tractors . . . . .	No. 18	47,122	3	4,523
Whisky . . . . .	Kg. . . . .	. . . . .	3,555	3,996
Canned salmon . . . . .	Kg. 39,161	10,616	11,503	3,826
Tinned vegetables, miscellaneous . . . . .	Kg. 15,039	2,798	19,162	3,773
Rubber hose . . . . .	Kg. 4,660	3,338	5,110	3,519
Manufactured rubber goods . . . . .	Kg. 6,770	6,982	4,700	3,511
Mechanical tools and parts, n.o.s. . . . .	Kg. 655	1,792	717	3,137
Cotton fabrics, printed . . . . .	Kg. . . . .	. . . . .	755	2,798
Chemical products, n.o.s. . . . .	Kg. 28,239	1,702	1,849	2,551
Aluminium powder . . . . .	Kg. 2,070	2,520	2,126	2,505
Underclothing, n.o.s. . . . .	Kg. . . . .	. . . . .	605	2,335
Paper, miscellaneous . . . . .	Kg. 10,622	3,367	9,853	2,211
Pickles . . . . .	Kg. 6,038	2,072	6,691	2,203
Medicines packed for retail sales, miscellaneous . . . . .	Kg. 3,762	10,541	968	2,010
Calcium carbide . . . . .	Kg. . . . .	. . . . .	19,240	1,998
Fancy goods, paper . . . . .	Kg. 4,151	1,421	6,403	1,957
Correspondence paper, n.o.s. . . . .	Kg. . . . .	. . . . .	2,052	1,728
Confectionery . . . . .	Kg. . . . .	. . . . .	1,007	1,665
Outer clothing for women and girls . . . . .	Kg. 398	4,211	274	1,620
Linen-drapers' wares, miscellaneous . . . . .	Kg. 3,696	3,423	1,144	1,526
Writing paper . . . . .	Kg. . . . .	. . . . .	3,837	1,474
Machines and apparatus, miscellaneous . . . . .	Kg. . . . .	. . . . .	. . . . .	1,456
Cutlery, including razor blades . . . . .	Kg. 490	4,941	67	1,391
Tires for motor cycles . . . . .	No. 346	2,592	175	1,372
Patent leather . . . . .	Kg. . . . .	. . . . .	353	1,206
Fabrics of other composition . . . . .	Kg. 1,074	1,613	695	1,194
Printed matter, miscellaneous . . . . .	Kg. 1,910	1,736	1,602	1,187
Other chemicals, n.o.s. . . . .	Kg. . . . .	. . . . .	341	1,132
Leather, n.o.s. . . . .	Kg. 460	2,280	320	1,121

Other commodities imported into Netherlands India from Canada during the year under review but not in sufficient volume to merit separate listing in the trade returns included the following: hair lotions, golf clubs, sun goggles, hair curlers and clips, lamps and lanterns, table oilcloth, wall boards, battery plates and separators, biscuits, gloves, calendars, children's vehicles, brushes, fountain pens and pencils, ink, toilet preparations, bathing suits, sanitary napkins, toilet tissues, and arsphenamine compounds.

#### COMMODITIES OF INTEREST TO CANADA

Hereunder is a list of imported commodities in the trade in many of which Canada is already participating. Where Canada is not shown as a supplier, the details given will serve to indicate to interested exporters the extent of the market and the countries which have hitherto enjoyed the bulk of the trade. Total values of imports of each commodity for both 1938 and 1939 are noted together with the percentage of imports according to principal sources during the year under review:—

*Biscuits.*—Total: 1939, fl.982,543; 1938, fl.1,134,413. Sources: Holland (47·9 per cent), Australia (21·5), Singapore (18·9). Other suppliers were United Kingdom, Hongkong, China, and Japan.

*Chocolates, Bonbons, and Similar Confectionery.*—Total: 1939, fl.695,502; 1938, fl.817,852. Sources: Holland (70·3 per cent), United Kingdom (18·7), Japan (3·1). Other suppliers included Belgium and Luxembourg, Switzerland, Singapore, Australia, Germany, and France.



*Tinned Vegetables, Miscellaneous.*—Total: 1939, fl.650,079; 1938, fl.657,503. Sources: Holland (26.9 per cent), Singapore (20.7), Hongkong (17.7), United States (10.5), Japan (8.6), China (6.8). Other suppliers included Belgium and Luxembourg, Switzerland, and Canada with 19,162 kilos valued at fl.3,773 (1938, 15,039 kilos valued at fl.2,798).

*Honey.*—Total: 1939, fl.42,549; 1938, fl.49,820. Sources: Australia (32.7 per cent), Holland (16.3), United States (14.9), Singapore (14). Other suppliers were Hongkong, Arabia, and Switzerland.

*Macaroni and Vermicelli.*—Total: 1939, fl.647,449; 1938, fl.630,974. Sources: Hongkong (35 per cent), Singapore (31.4), China (16.7), Holland (5.2). Other suppliers were France, Penang, Canada with 23,204 kilos valued at fl.6,782 (1938, 18,929 kilos valued at fl.5,413), Japan, and Australia.

*Wheat Flour.*—Total: 1939, fl.7,156,733; 1938, fl.7,651,696. Sources: Australia (95.3 per cent), Singapore (2.4). Canada supplied 809,664 kilos valued at fl.53,055 (1938, 918,608 kilos valued at fl.83,423). Other suppliers included China, Japan, Holland, United States, and British India.

*Canned Milk: (a) Sweetened Condensed Milk.*—Total: 1939, fl.2,009,468; 1938, fl.2,004,973. Sources: Holland (75.3 per cent), Singapore (11.4), Denmark (6.1). Other suppliers included United States, Switzerland, United Kingdom, Australia, and Japan.

*(b) Unsweetened Condensed Milk.*—Total: 1939, fl.796,650; 1938, fl.699,763. Sources: Holland (78.2 per cent), United States (15.9), Denmark (3.4), and Japan (1.7).

*(c) Sweetened Condensed Cream.*—Total: 1939, fl.1,687,652; 1938, fl.1,624,055. Sources: Holland (95.2 per cent), Denmark (2.6), Japan (1.2).

*(d) Sterilized Natural Milk.*—Total: 1939, fl.643,263; 1938, fl.671,759. Sources: Switzerland (39.7 per cent), Norway (36), Holland (20.9). Other suppliers included Singapore, Denmark, Belgium and Luxembourg, and Japan.

*(e) Miscellaneous, including Powdered, etc.*—Total: 1939, fl.304,170; 1938, fl.259,763. Sources: Holland (31 per cent), Canada (21), Australia (19.4), United Kingdom (12.5). Canada was credited with 62,827 kilos valued at fl.64,126 (1938, 1,666 kilos valued at fl.1,661). Other suppliers included Switzerland, United States, Singapore, Denmark, Norway, and Hongkong.

*Sauces.*—Total: 1939, fl.389,456; 1938, fl.392,547. Sources: Switzerland (28.5 per cent), Hongkong (27.4), United States (12.2), Singapore (10.8), China (7.8). Imports from Canada were valued at fl.6,107 (1938, fl.3,016). Other sources of supply included Holland, United Kingdom, British India, and Japan.

*Edible Shellfish.*—Total: 1939, fl.118,871; 1938, fl.119,052. Sources: Singapore (34.1 per cent), United States (26), Hongkong (16.1), United Kingdom (8.4). Other suppliers were Japan, Holland, and China.

*Confectionery.*—Total: 1939, fl.336,637; 1938, fl.397,367. Sources: Holland (52.6 per cent), Japan (15.8), United Kingdom (11.6), United States (8). Other suppliers included Singapore, Philippines, Belgium and Luxembourg, and Canada which was credited with 1,007 kilos valued at fl.1,665 (not mentioned in 1938).

*Pickles.*—Total: 1939, fl.80,197; 1938, fl.95,967. Sources: Holland (46.5 per cent), United States (25), Hongkong (13.9). Canada supplied 6,691 kilos valued at fl.2,203 (1938, 6,038 kilos valued at fl.2,072). Other suppliers were United Kingdom and Singapore.

*Fish, Fresh, Frozen, etc.*—Total: 1939, fl.159,086; 1938, fl.158,256. Sources: Holland (77 per cent), Singapore (15.3). Imports from Canada were 7,353 valued at fl.5,291 (1938, 5,588 kilos valued at fl.4,586).

*Cheap Salt Fish.*—Total: 1939, fl.9,410,711; 1938, fl.9,075,927. Of the total imports into Netherlands India, 94.3 per cent came from the entrepot port of Singapore. Other suppliers included Penang, Thailand, Hongkong, Japan, China, and Sarawak.

*Canned Salmon.*—Total: 1939, fl.90,662; 1938, fl.102,459. Sources: United States (46.8 per cent), United Kingdom (21.1), Japan (20.8), Canada (4.2) which supplied 11,503 kilos valued at fl.3,826 (1938, 39,161 kilos valued at fl.10,616), Singapore (3.5), and Holland (1.7).

*Canned Sardines.*—Total: 1939, fl.1,286,176; 1938, fl.1,458,395. Sources: Japan (78.7 per cent), Singapore (7.3), United States (6.1). Other suppliers included France, Penang, Portugal, Canada with 20,694 kilos valued at fl.6,937 (1938, 70,967 kilos valued at fl.15,189), China, Holland, and Norway.

*Hams.*—Total: 1939, fl.569,068; 1938, fl.572,796. Sources: Australia (64.6 per cent), Holland (30.6). Other suppliers included Denmark, Poland, and Singapore.

*Canned Meat, Miscellaneous.*—Total: 1939, fl.764,764; 1938, fl.839,840. Sources: Argentina (36 per cent), Holland (28.2), Uruguay (9.6), United States (7.7). Other suppliers included Singapore, Australia, Hongkong, China, Denmark, France, and Switzerland.

*Fresh Apples.*—Total: 1939, fl.414,298; 1938, fl.327,702. Sources: Australia (53.5 per cent), United States (34.2), Singapore (8.3), New Zealand (1.5), Japan (1), Union of South Africa (1).

*Canned Fruit.*—Total: 1939, fl.483,718; 1938, fl.530,438. Sources: United States (58.9 per cent), Singapore (11.4), Australia (9.3), Hongkong (6.3). Other suppliers included Japan, China, Switzerland, and Holland.

*Jams, Jellies, and Marmalade.*—Total: 1939, fl.229,796; 1938, fl.243,158. Sources: Holland (45·5 per cent), Switzerland (22·9), Australia (19·8). Other suppliers included Japan, United Kingdom, and United States.

*Foodstuffs, n.o.s.*—Total: 1939, fl.849,847; 1938, fl.769,360. Sources: Hongkong (34 per cent), Singapore (21·9), China (14·9), Holland (8). Other suppliers included Italy, United States, Penang, Japan, British India, and United Kingdom. Canada was credited with 5,449 kilos valued at fl.1,967 in 1938.

*Whisky.*—Total: 1939, fl.645,863; 1938, fl.620,317. Sources: United Kingdom (94·4 per cent) was the principal source of supply, followed by Singapore, Canada with 1,518 litres valued at fl.3,996 (not mentioned in 1938), Australia, United States, and Holland.

*Acetic Acid.*—Total: 1939, fl.72,241; 1938, fl.69,643. Sources: Holland (27·5 per cent), Japan (24·2), Canada (21·8) which supplied 45,000 kilos valued at fl.15,741 (not mentioned in 1938), Singapore (10·6), Germany (9·9), United States (3·9).

*Sodium Cyanide.*—Total: 1939, fl.134,196; 1938, fl.120,199. Sources: United Kingdom (59 per cent), Germany (25·2), Canada (6·7) which supplied 39,589 kilos valued at fl.9,054 (not mentioned in 1938), Holland (5), Japan (2·6), Singapore (1).

*Chemicals, Other, n.o.s.*—Total: 1939, fl.730,462; 1938, fl.804,708. Sources: Germany (21·4 per cent), Holland (19·5), United States (14·8), United Kingdom (14·3), Japan (10·8). Canada was credited with 341 kilos valued at fl.1,132 (not mentioned in 1938). Other suppliers included Belgium and Luxembourg, Italy, Australia, Singapore, and France.

*Medicines Packed for Retail Sales, Miscellaneous.*—Total: 1939, fl.3,791,151; 1938, fl.4,241,506. Sources: Germany (27·6 per cent), Singapore (19·3), Holland (9·3), Australia (7·5), United Kingdom (6·4). Canada's share was 968 kilos valued at fl.2,010 (1938, 3,762 kilos valued at fl.10,541). Other suppliers included Switzerland, Hongkong, Japan, France, United States, and China.

*Sulphate of Ammonia.*—Total: 1939, fl.6,332,998; 1938, fl.4,495,771. Sources: Holland (51·1 per cent), Germany (17), Belgium and Luxembourg (12·8), United States (10·9), and Canada (6·5), which was credited with 6,414,176 kilos valued at fl.413,930 (1938, 3,031,017 kilos valued at fl.193,274). Other suppliers included Poland and United Kingdom.

*Fertilizers, Miscellaneous.*—Total: 1939, fl.3,228,807; 1938, fl.2,281,956. Sources: Holland (40·9 per cent), United States (28·2), Germany (12·2), Belgium and Luxembourg (9·1). Other suppliers included Cocos and Christmas Islands, British Malaya, Egypt, and Algeria and Tunis. In 1938 Canada was credited with 529,366 kilos valued at fl.48,164.

*Paints, Ready-made or Wet.*—Total: 1939, fl.1,144,223; 1938, fl.1,139,344. Sources: Holland (31·1 per cent), United States (25·2), United Kingdom (18·6), Japan (12·2). Other suppliers included Germany, Singapore, China, Hongkong, and France. Canada supplied 1,531 kilos valued at fl.1,061 in 1938.

*Calcium Carbide.*—Total: 1939, fl.367,754; 1938, fl.322,756. Sources: Japan (26·4 per cent), Italy (19·2), Switzerland (8·4), Belgium and Luxembourg (8·2). Other suppliers included Poland, Union of South Africa, Germany, Norway, Canada with 19,240 kilos valued at fl.1,998 (not mentioned in 1938), France, United States, and Yugoslavia.

*Glues, Packed for Retail Sales.*—Total: 1939, fl.47,468; 1938, fl.41,710. Sources: Japan (57·7 per cent), United Kingdom (8), Germany (7·7), United States (7·5), Holland (6·6), and Singapore (2·8). Canada was credited with 1,669 kilos valued at fl.1,210 in 1938.

*Chemical Products, n.o.s.*—Total: 1939, fl.1,519,546; 1938, fl.1,484,908. Sources: United States (74·7 per cent), Germany (9·9), Holland (5·5), United Kingdom (4·5). Imports from Canada were 1,849 kilos valued at fl.2,551 (1938, 28,239 kilos valued at fl.1,702). Other suppliers included Singapore, Japan, and China.

*Building Boards, Miscellaneous.*—Total: 1939, fl.72,841; 1938, fl.36,216. Sources: United States 38·4 per cent), Sweden (30·3), Finland (17·6), and Canada (1) which was credited with 35,986 kilos valued at fl.7,245 (1938, 34,464 kilos valued at fl.6,885).

*Timber, Sawn.*—Total: 1939, fl.588,785; 1938, fl.717,463. Sources: Singapore (66·6 per cent), United States (13·1), Canada (9·3) which supplied 908,157 kilos valued at fl.54,813 (1938, 202,831 kilos valued at fl.20,651), Australia (4·3), Holland (2·1), Sweden (1).

*Timber, Planed.*—Total: 1939, fl.20,171; 1938, fl.14,032. Sources: Holland (54·5 per cent), United States (29·7), France (6·9). In 1938 Canada was credited with 7,602 kilos valued at fl.1,219.

*Woodwork, Tri-ply and Multi-ply Boards.*—Total: 1939, fl.101,045; 1938, fl.205,877. Sources: Holland (37·2 per cent), Japan (21·4), Poland (13·2), Sweden (12·3). Imports from Canada were 7,266 kilos valued at fl.1,791 in 1938. Other suppliers included Belgium and Luxembourg and Finland.

*Patent Leather.*—Total: 1939, fl.225,979; 1938, fl.280,058. Sources: United States (59·8 per cent), British India (17·9), Thailand (13·4). Other suppliers included Singapore, Germany, Hungary, Holland, Australia, and Canada with 353 kilos valued at fl.1,206 (not mentioned in 1938).

*Leather, n.o.s.*—Total: 1939, fl.183,181; 1938, fl.237,150. Sources: British India (28·7 per cent), Singapore (19·6), United States (19·3), Australia (11·7). Other suppliers included Holland, Thailand, Germany, Penang, and Canada with 320 kilos valued at fl.1,121 (1938, 640 kilos valued at fl.2,280).



*Cotton Fabrics, Printed.*—Total: 1939, fl.11,848,937; 1938, fl.7,967,375. Sources: Japan (46·5 per cent), United Kingdom (25), Holland (23·9). Other suppliers included United States, Switzerland, Germany, Singapore, and Canada with 755 kilos valued at fl.2,798 (not mentioned in 1938).

*Cotton Fabrics, Miscellaneous.*—Total: 1939, fl.4,961,884; 1938, fl.3,866,646. Sources: Holland (29·9 per cent), United States (14·1), United Kingdom (12·1), Switzerland (12·1), Japan (10·8), France (6·6). Other suppliers included Germany, Belgium and Luxembourg, Italy, and Canada (1·4) which supplied 72,764 kilos valued at fl.72,902 (1938, 18,829 kilos valued at fl.20,204).

*Linen-drappers' Wares, Miscellaneous.*—Total: 1939, fl.1,567,099; 1938, fl.2,263,941. Sources: Holland (18·8 per cent), United States (18·7), British India (17·8), United Kingdom (10·2). Other suppliers included Japan, Germany, Singapore, Belgium and Luxembourg, France, Poland, Australia, and Canada with 1,144 kilos valued at fl.1,526 (1938, 3,696 kilos valued at fl.3,423).

*Outer Clothing for Men and Boys.*—Total: 1939, fl.299,328; 1938, fl.370,688. Sources: Holland (32·4 per cent), Japan (26·1), Singapore (22), United Kingdom (4·3), United States (4), China (3·6), Hongkong (3·5), and Canada with 1,337 kilos valued at fl.5,511 (1938, 1,939 kilos valued at fl.7,970).

*Outer Clothing for Women and Girls.*—Total: 1939, fl.445,543; 1938, fl.450,397. Sources: United States (40 per cent), Japan (35·6), Holland (13·6). Other suppliers included Germany, China, United Kingdom, Belgium and Luxembourg, Hungary, and Canada with 274 kilos valued at fl.1,620 (1938, 398 kilos valued at fl.4,211).

*Underclothing, n.o.s.*—Total: 1939, fl.1,281,394; 1938, fl.1,416,150. Sources: Japan (45·8 per cent), United States (18), China (16·5), Hongkong (14·5), Holland (2). Other suppliers included Czechoslovakia, Singapore, United Kingdom, Germany, and Canada with 605 kilos valued at fl.2,335 (not mentioned in 1938).

*Hosiery.*—Total: 1939, fl.487,883; 1938, fl.552,937. Sources: Japan (24·6 per cent), United States (21·4), China (16·4), Czechoslovakia (15), Germany (6·3). Other suppliers included United Kingdom, Singapore, Italy, Hongkong, France, and Holland.

*Pulp for Paper-making.*—Total: 1939, fl.44,165; 1938, fl.60,744. Canada was the principal supplier, being credited with 218,796 kilos valued at fl.17,867 (1938, 448,270 kilos valued at fl.49,378), followed by United States, Norway, Sweden, and Germany.

*Correspondence Paper, n.o.s.*—Total: 1939, fl.108,188; 1938, fl.109,634. Sources: Norway (45·4 per cent), Holland (16·4), Germany (9·7), United States (9·5). Other suppliers included Czechoslovakia, Russia, Finland, Japan, Sweden, and Canada with 2,052 kilos valued at fl.1,728 (not mentioned in 1938).

*Cardboard.*—Total: 1939, fl.414,967; 1938, fl.283,364. Sources: Holland (34·9 per cent), Japan (20·3), United States (12·6). Other suppliers included Germany, Sweden, China, Norway, Finland, and Formosa.

*Newsprint.*—Total: 1939, fl.635,144; 1938, fl.729,042. Canada was still the principal supplier, being credited with 1,756,028 kilos valued at fl.199,139 (1938, 1,218,322 kilos valued at fl.155,734), followed by Finland (19·3 per cent), Norway (16·2), Holland (15·4), Germany (9), Sweden (6·9), and Italy (1·1).

*Packing Paper, Miscellaneous.*—Total: 1939, fl.2,333,235; 1938, fl.2,611,269. Sources: Holland (41·2 per cent), Sweden (25·4), Germany (10·5), Norway (6·3). Other suppliers included Czechoslovakia, United States, Japan, Finland, United Kingdom, and China.

*Writing Paper.*—Total: 1939, fl.927,696; 1938, fl.858,133. Sources: Holland (55 per cent), Japan (12·5), Germany (8·8), United States (7·4). Other suppliers included Norway, Hongkong, Czechoslovakia, China, Singapore, United Kingdom, Finland, and Canada with 3,837 kilos valued at fl.1,474 (not mentioned in 1938).

*Paper, Blotting.*—Total: 1939, fl.31,747; 1938, fl.31,227. Sources: Germany (47 per cent), Holland (21·5), United Kingdom (10), Japan (7), Norway (4). In 1938 Canada's share was 5,250 kilos valued at fl.1,345.

*Paper, Miscellaneous.*—Total: 1939, fl.1,278,796; 1938, fl.1,064,194. Sources: Germany (44 per cent), Japan (14·8), Holland (13·6). Other suppliers included Finland, Norway, United States, United Kingdom, Sweden, Belgium and Luxembourg, and Canada with 9,853 kilos valued at fl.2,211 (1938, 10,622 kilos valued at fl.3,367).

*Printed Matter, Miscellaneous.*—Total: 1939, fl.510,232; 1938, fl.655,952. Sources: Holland (40·6 per cent), Japan (18·5), United States (12·1). Other suppliers included Hongkong, Germany, China, Singapore, British India, United Kingdom, Belgium and Luxembourg, France, Switzerland, and Canada with 1,602 kilos valued at fl.1,187 (1938, 1,910 kilos valued at fl.1,736).

*Fancy Goods, Paper.*—Total: 1939, fl.233,992; 1938, fl.268,279. Sources: Holland (23·6 per cent), Japan (17·5), Germany (16·6), China (13·9), United States (8·9). Other suppliers included Hongkong, Penang, United Kingdom, Singapore, Belgium and Luxembourg, and Canada with 6,403 kilos valued at fl.1,957 (1938, 4,151 kilos valued at fl.1,421).

*Fountain Pens.*—Total: 1939, fl.150,307; 1938, fl.105,351. Sources: Japan (54·8 per cent), Germany (20·1), United States (16·6), Singapore (5), China (2). Canada's share was 71 dozen valued at fl.3,521 in 1938.



*Aluminium Powder.*—Total: 1939, fl.212,705; 1938, fl.196,232. Sources: Germany (83·8 per cent), Holland (8·2), United States (3·2), Canada (1·2) which was credited with 2,126 kilos valued at fl.2,505 (1938, 2,070 kilos valued at fl.2,520), and United Kingdom (1·1).

*Electric Cables.*—Total: 1939, fl.22,684; 1938, fl.38,936. Canada was the principal supplier, being credited with 18,365 kilos valued at fl.11,813 (not mentioned in 1938), followed by Switzerland (34·6 per cent), and United States (1).

*Tacks and Nails in Cases.*—Total: 1939, fl.336,213; 1938, fl.280,407. Sources: Belgium and Luxembourg (22·1 per cent), United States (17·4), Sweden (16), Germany (14), Holland (9·9). Other suppliers included France, Italy, Poland, Japan, and Canada with 12,818 kilos valued at fl.5,605 (1938, 21,255 kilos valued at fl.9,689).

*Lead and Lead Alloys.*—Total: 1939, fl.145,312; 1938, fl.105,568. Sources: Burma (36·8 per cent), Holland (23·4), United Kingdom (13·4), Singapore (9·9). Other suppliers included Belgium and Luxembourg, Canada with 17,572 kilos valued at fl.4,611 (1938, 21,507 kilos valued at fl.5,808), British India, and Australia.

*Zinc and Zinc Alloys.*—Total: 1939, fl.39,791; 1938, fl.34,096. Sources: Belgium and Luxembourg (50·8 per cent), Australia (38·2), Holland (5·5), United States (4·6). Canada supplied 19,962 kilos valued at fl.5,390 in 1938.

*Street Tractors, etc.*—Total: 1939, 171 units (fl.1,063,999); 1938, 153 units (fl.1,024,809). Sources: United States (67·4 per cent), Belgium and Luxembourg (12·3), Germany (7·4). Other suppliers included United Kingdom, Italy, Switzerland, Holland, Singapore, and Canada with 3 units valued at fl.4,523 (1938, 18 units valued at fl.47,122).

*Passenger Cars.*—Total: 1939, 5,263 units (fl.6,701,551); 1938, 6,201 units (fl.7,884,471). Sources: United States (39·2 per cent), Canada (24·3), United Kingdom (13·6), Italy (9·6), Germany (5·6), France (4·3), Holland (1·9). Imports from Canada were 1,084 units valued at fl.1,630,340 (1938, 1,011 units valued at fl.1,577,588).

*Chassis for Passenger Cars.*—Total: 1939, 205 units (fl.127,555); 1938, 416 units (fl.248,567). Sources: United Kingdom (50·2 per cent), Italy (15·7), Germany (13·5), United States (10·4), Canada (10) with 15 units valued at fl.12,736 (1938, 8 units valued at fl.7,967).

*Trucks.*—Total: 1939, 228 units (fl.376,993); 1938, 308 units (fl.465,503). Sources: Canada (50·4 per cent), United States (36·9), Holland (4·1), Italy (3·9), Germany (2·7). Imports from Canada were 122 units valued at fl.190,134 (1938, 160 units valued at fl.239,427).

*Chassis for Trucks.*—Total: 1939, 1,573 units (fl.1,463,555); 1938, 2,728 units (fl.2,738,301). Sources: United States (79·3 per cent), Canada (18·3), United Kingdom (1). Imports from Canada were 193 units valued at fl.268,307 (1938, 465 units valued at fl.650,240).

*Automobile Accessories.*—Total: 1939, fl.1,044,144; 1938, fl.1,332,308. Sources: United States (50·7 per cent), Canada (13·6), Germany (11·1), United Kingdom (9·9). Other suppliers included Singapore, Belgium and Luxembourg, Japan, Holland, and Australia. Canada's share was 131,981 kilos valued at fl.141,998 (1938, 121,965 kilos valued at fl.138,491).

*Automobile Engines and Parts.*—Total: 1939, fl.536,617; 1938, fl.612,141. Sources: United States (41·7 per cent), Germany (17·4), Canada (24), Italy (6·7), Singapore (4·3), United Kingdom (4·2). Imports from Canada were 90,092 kilos valued at fl.129,131 (1938, 110,205 kilos valued at fl.147,525).

*Mechanical Tools and Parts, n.o.s.*—Total: 1939, fl.1,422,801; 1938, fl.1,760,571. Sources: Germany (44·1 per cent), United States (24·7), Holland (10·5), United Kingdom (5·6), Singapore (4·5), France (2·6), Japan (2·2), Portugal (1). Imports from Canada were 717 kilos valued at fl.3,137 (1938, 655 kilos valued at fl.1,792).

*Automobile Batteries.*—Total: 1939, fl.354,874; 1938, fl.499,672. Sources: United States (38·8 per cent), Germany (25·1), Japan (15·3), United Kingdom (9·9). Other suppliers included Canada with 23,028 kilos valued at fl.11,316 (1938, 21,046 kilos valued at fl.9,573), Holland, Singapore, Australia, and Sweden.

*Office Appliances and Parts.*—Total: 1939, fl.264,758; 1938, fl.230,161. Sources: United States (54·9 per cent), Germany (21·6), Sweden (17·3), Switzerland (4·4).

*Cutlery, including Razor Blades.*—Total: 1939, fl.176,961; 1938, fl.221,539. Sources: United Kingdom (50·7 per cent), Germany (41·8), United States (3·2), Japan (1·5). Imports from Canada were valued at fl.1,391 (1938, fl.4,941).

*Machines and Apparatus, Miscellaneous.*—Total: 1939, fl.840,276; 1938, fl.964,071. Sources: Holland (60·4 per cent), United States (17·8), Germany (11·8), Japan (4·4), United Kingdom (2·4). Imports from Canada were valued at fl.1,456 (not mentioned in 1938).

*Photographic Cameras.*—Total: 1939, fl.162,225; 1938, fl.227,394. Sources: Germany (56·6 per cent), United States (17·9), United Kingdom (17·7), Singapore (3·9), France (1·2). Imports from Canada were valued at fl.3,604 in 1938.

*Petroleum Pressure Lamps and Parts.*—Total: 1939, fl.434,140; 1938, fl.483,226. Sources: Germany (53·3 per cent), Sweden (31·3), United States (6·3), China (3·8), Singapore (2·3), Holland (·7).

*Tires for Automobiles.*—Total: 1939, 48,639 units (fl.863,801); 1938, 52,935 units (fl.956,748). Sources: United States (34·5 per cent), France (21·5), United Kingdom (13·4), Japan (12·3), Germany (11·2), Canada (5·8), Singapore (1). Canada's share was 2,917 units valued at fl.50,101 (1938, 4,398 units valued at fl.85,917).

*Tubes for Automobiles.*—Total: 1939, 22,981 units (fl.71,878); 1938, 27,686 units (fl.81,933). Sources: United States (40·1 per cent), Canada (16·5), France (16·2), Germany (9·5), United Kingdom (8), Japan (5·7). Imports from Canada were 1,850 units valued at fl.11,886 (1938, 2,001 units valued at fl.11,926).

*Tires for Motorcycles.*—Total: 1939, 3,956 units (fl.13,735); 1938, 2,756 units (fl.16,241). Sources: Germany (40·3 per cent), United Kingdom (27·2), Canada (10), United States (8·8). Imports from Canada were 175 units valued at fl.1,372 (1938, 346 units valued at fl.2,592).

*Rubber Hose.*—Total: 1939, fl.187,534; 1938, fl.222,164. Sources: United States (57·5 per cent), Singapore (13·5), Germany (9·1), Japan (5·1), Holland (4·8), United Kingdom (3·9) and Canada (1·9) with 5,110 kilos valued at fl.3,519 (1938, 4,660 kilos valued at fl.3,338).

*Manufactured Rubber Goods.*—Total: 1939, fl.166,147; 1938, fl.208,584. Sources: Germany (35 per cent), Japan (20·8), United States (18·8), Singapore (10·7), United Kingdom (4·9), Holland (3), and Canada (2·1) with 4,700 kilos valued at fl.3,511 (1938, 6,770 kilos valued at fl.6,982).

*Belting.*—Total: 1939, fl.280,192; 1938, fl.402,904. Sources: United Kingdom (26·9 per cent), United States (17), Japan (15·3), Holland (12·4), Germany (11·7), Singapore (6·6), Canada (5·1), France (2·8). Imports from Canada were 14,179 kilos valued at fl.14,297 (1938, 8,942 kilos valued at fl.9,551).

*Packing, Miscellaneous.*—Total: 1939, fl.696,407; 1938, fl.717,526. Sources: United States (33·3 per cent), Holland (23·2), United Kingdom (19·7), Germany (9·3), Singapore (3·9), Belgium and Luxembourg (2), France (1·9). Canada supplied 6,532 kilos valued at fl.1,287 in 1938.

*Printed Fabrics.*—Total: 1939, fl.6,304,718; 1938, fl.5,275,433. Sources: United Kingdom (46·6 per cent), Holland (44·8), United States (4·5), Switzerland (1·6). Imports from Canada were 10,921 metres valued at fl.2,798 (not mentioned in 1938).

*Fabrics of Other Composition, n.o.s.*—Total: 1939, fl.265,430; 1938, fl.238,744. Sources: United States (25 per cent), Holland (20·2), Japan (16·6), United Kingdom (14·4), Germany (12·2), Switzerland (2·6). Other suppliers included Australia, Singapore, British India, Belgium and Luxembourg, Czechoslovakia and Canada with 695 kilos valued at fl.1,194 (1938, 1,074 kilos valued at fl.1,613).

*Waxcloth, Plain.*—Total: 1939, fl.261,762; 1938, fl.369,800. Sources: United States (56 per cent), Japan (15·3), United Kingdom (9·4), Poland (6·6), France (6), Czechoslovakia (2·4), Holland (1·3). Imports from Canada were 2,449 kilos valued at fl.1,689 in 1938.

*Canvas for Shoes.*—Total: 1939, fl.813,993; 1938, fl.674,949. Sources: United States (71·1 per cent), Japan (15·7), Canada (8·9), Holland (1·6). United Kingdom (1·4). Imports from Canada were 72,764 kilos valued at fl.72,902 (1938, 18,829 kilos valued at fl.20,204).

## PACKING GOODS FOR EXPORT

### FROM SPECIAL EXPORT NUMBER OF THE *Times Trade and Engineering*

Like other industries the packing trade has changed, and is changing, in consequence of war conditions. The need for economy in the use of wood, due largely to the cutting-off of the usual supplies from Scandinavia, Finland, and Russia, and the sharp rise in the price of timber are prominent among the important new influences.

The stoppage of supplies from sources of production comparatively near at hand, on the other side of the North Sea, and their partial replacement by timber brought long distances from the Atlantic and Pacific coasts of Canada help to cause prices to rise, and the higher costs of timber nowadays make it imperative that economy should be exercised in its use. Whereas before the war serviceable timber from Northern Europe could be bought for less than £15 a standard, to-day home-grown timber for the same purposes costs from about £45 to £50 a standard. Costs to the export packers have risen considerably, in part because, although the price of each grade of timber is now controlled, the low grades suitable for making cases are no longer to be obtained, and the better qualities, for which higher prices are quoted, must be used.

The utmost care has to be practised by the case-makers in selecting timber for packing cases, since many valuable goods, such as silks, leather gloves and



books, would be exposed to damage from mildew if they were packed in damp cases. As a special protection many valuable goods liable to spotting are first encased in tin or zinc lining. A tin box may even be made and the goods may be vacuum-packed. From the absolutely dry timber the case-makers select the lengths when they are told the exact dimensions of the cases needed.

The United States was a pioneer in treating packing as a scientific process. Investigations and tests were carried out there many years ago with the object of attaining as near to perfection in methods as is practicable. In this country during recent years research work has also been undertaken to assist the packing industry in all matters relating to the export of goods. Before the war a line of inquiry was being pursued with a view to the substitution of panels of plywood for solid wood in order to reduce the weights of containers. Plywood, as a result of the war, is no longer available, so that this line of study had been temporarily checked in this country. It is reasonable to assume that after the war even more consideration will be given to the testing of the trustworthiness of new methods.

Meanwhile, circumstances have made it essential that means of securing economy in the use of timber should be constantly examined. More use is being made to-day of lighter cases with  $\frac{1}{2}$ -inch sides and  $\frac{3}{4}$ -inch ends, instead of  $\frac{3}{4}$ -inch sides and 1-inch ends, which were commonly used before the war. Another economy is to employ slatted crates in place of solid cases for light and bulky goods, such as large wooden toys and hats.

#### BALES AND FIBRE CONTAINERS

The cheapest form of packing consists of press-packed bales. This form, however, is confined to cheaper textiles. Thin boards are often inserted inside the hessian as some protection against the risk of holes caused by hooks and damage or stains from other cargo. With more valuable goods it would, however, be penny wise and pound foolish to employ this type of packing.

Fibre containers as substitutes for wooden cases are mainly used in certain export trades to North America. They are employed by some firms for electrical and gramophone equipment and also for other proprietary articles by manufacturers who pack their own goods. Fibre containers are found generally suitable for books. Perhaps the reason why they are more popular in the United States and Canada than in more distant British Dominions is that many of the large cities and towns of North America are in the interior, and distribution to and from them involves long railway journeys which are expensive; hence the need for economy in the weight of the containers. In countries like Australia and New Zealand, where the large cities, and, indeed, the secondary town also, are chiefly on the coast, there is little interior distribution by rail. This class of packing, consequently, is used only rarely there, and it is subjected to the same treatment as cases, although it incurs a much greater risk of damage by hooks and from other causes during transport.

#### SHIPPING RATES

The rise in shipping freight rates, owing to the war, also prompts economy in the use of timber. Cases are usually rated according to cubic volume or cubic space, calculated on the outside measurements, 40 cubic feet being treated as a measurement ton. Shipping lines have the option of charging freight according to cubic measurement or actual weight. If the cases are charged on the measurement basis, clearly the package should be no larger than is actually needed for the goods it is to contain.



Much paper of all kinds is used by export packers, including brown paper and waterproof paper. Its increased cost and the restriction of supplies make economy in its use essential. In the best of times packing costs are regarded as an additional and unremunerative expense, and, although an increase in these charges during wartime is inevitable, there is general recognition that all possible steps must be taken, even if a little risk is involved, and there is some departure from pre-war standards of packing, in order to try to keep the costs to as low a level as possible.

Some firms concentrate on the manufacture of packing cases. They receive particulars of the interior dimensions and strength of the cases required, and they deliver the manufactured cases to the exporting firms which then pack the goods, nail down the lids, stencil the cases with the shipping marks, and undertake all the arrangements for forwarding the goods.

In this connection it may be noted that the practice of re-using envelopes as a means of economy in this country by merely crossing out the address and substituting others cannot be extended to packing cases for export. There must be no old marks on these. It is essential that the cases should be new, so that any attempt at pilferage in the course of transit, often difficult to detect, is as apparent as possible. (Incidentally pilferage, which was rife at ports throughout the world during the last war and immediately afterwards, has again been revived on a fairly serious scale.) The use of second-hand cases, or even of second-hand timber bearing the signs of old nail holes, would defeat quick detection. It would also result in the endorsement of bills of lading and other receipts, to the prejudice of insurance claims or of other interests concerned.

#### EXPORT PACKERS

Other firms receive merchandise at their warehouses, pack and deliver the goods to the port of shipment, arrange for forwarding them in a particular vessel (or, if for any reason these are shut out from that ship, for their dispatch by a later vessel) and for the payment of the freight and for marine and war insurance. They undertake the whole series of transactions associated with exportation and save individual firms much trouble. There are firms of forwarding agents working in this way on a large scale which are also export packers with their own sawmill, case-making plant, and baling presses, and which, through their agency arrangements in many countries abroad, can arrange for attention to customs requirements at the port of destination and for the subsequent delivery of the goods to the purchasers.

On arrival at the warehouse of such a firm in London the goods of a particular exporter which are to be consigned to a buyer overseas are measured, and instructions are given to the case-makers to construct cases of the exact dimensions needed. Sometimes wooden cases are built round machinery. The heavy objects are raised by crane and strong wood is placed underneath to form the base of the case. The size of the cases varies, as will be readily understood, according to the nature of the goods they contain. It would be unsatisfactory to construct cases that could not be readily handled by the actual importer at his premises because usually he has not the facilities that are to be found at the docks and on railways for all types of cases. The more easily a case can be handled the less likelihood there is of damage being done to it.

#### CASES OF VARYING SIZE

The largest case built by one firm was constructed many years ago to contain a double-deck motor omnibus. Aeroplanes and flying boats come

within the class of exceptionally bulky exports needing casing. In recent years buses have been exported uncased. Motor cars are now either shipped in cases or without them. Shipping companies like cars to be encased, so that other goods can be stowed on top of them, and they compensate the shipper or importer for the cost of the packing and the setting up of the car again ready for the road by offering a lower rate of freight.

There is a considerable export trade in second-hand and antique furniture which requires large-size cases. Dimensions of 17 feet long by 7 feet broad by 7 feet high are not unduly cumbersome, but as such cases when packed commonly weigh from 3 tons to  $3\frac{1}{2}$  tons their use is restricted to markets where such weights do not involve higher freight charges per ton. Cases of 12 feet 6 inches long by 6 feet 6 inches broad by 6 feet 6 inches high usually weigh as much as  $2\frac{1}{2}$  tons packed, and are frequently used, but in trades where freight rates are increased for packages weighing more than two tons gross it is usual not to pack in cases more than 10 feet 6 inches long by 6 feet 6 inches high by 6 feet 6 inches deep. The packing of chairs and other pieces of furniture demands considerable skill. This trade in old furniture is important, even in wartime, as the United States is the principal buyer and the export helps the exchange. . . . .

While much of the work of forwarding agents is for exporters in this country, another part is for importers abroad. Firms in overseas countries may buy goods in the United Kingdom ex-warehouse or on one of the other forms of contract which leaves transport to be arranged by them. Then all the plans for shipment are for account of the buyers. Sellers in this country may be instructed to forward goods to a firm which will make up a package and carry through all the subsequent transactions incidental to shipment.

This practice is followed with books. Wholesale and retail houses in the Dominions wishing to buy volumes for stock or to comply with orders from their customers instruct publishers in this country to deliver the books to a firm of forwarding agents. This is accustomed to dispatch the supplies to the buyers abroad and quantities may be packed closely in cases and thereby economy secured compared with the use of book post. The work of forwarding goods for export is always giving rise to new problems which, probably, were never more numerous than in these days, when there has to be strict compliance with all kinds of formalities and shipping services, naturally, are not maintained with the same regularity as in peace time.

## AUSTRALIAN WHEAT AND FLOUR

Mr. Palmer cabled on June 17 regarding the wheat and flour situation in Australia as follows:—

Shipments of wheat from Australia from December 1 to May 29 were 7,961,000 bushels and of flour 10,500,000 bushels. Export wheat remaining unsold was 16,360,000 bushels. Apart from wheat held for British Government, shipping is progressing fairly satisfactorily. Currency difficulties are still debarring wheat sales to Japan, but future shipments are possible if Japan proposes satisfactory barter arrangements. Official wheat prices are unchanged.

For advances to growers on wheat pools numbers two and four, the Wheat Board's overdraft is now £A3,419,769 and £A6,381,614, respectively.

Approximate f.o.b. prices per short ton authorized by the Wheat Board for export flour for shipment to Manila in 49-pound calico bags are equivalent to \$34.14 Canadian; to Colombo and Calcutta, in 150-pound sacks, \$33.26. Prices to other destinations are unchanged.

Moisture conditions are good in West Australian wheat belts and more or less satisfactory elsewhere following fairly widespread but patchy rains.

## TARIFF CHANGES AND TRADE REGULATIONS

### United Kingdom

#### REGULATIONS GOVERNING GIFTS OF CLOTHING

With reference to the article in *Commercial Intelligence Journal* No. 1948 (May 31, 1941), page 681, concerning weight limitation on gifts sent to the United Kingdom, the High Commissioner for the United Kingdom in Canada has received telegraphic advice from the Dominions Office, London, stating that as a consequence of the introduction of clothes rationing in the United Kingdom consideration has been given to the arrangements to be made regarding gifts of clothes. It has been decided to apply to such gifts, *mutatis mutandis*, the regulations governing gifts of food. The provision in the regulations that no parcels may contain more than 2 pounds of any one foodstuff will not apply to gifts of clothes. No restriction has been placed on the weight of individual articles of clothing within an overall limit of 5 pounds.

### Australia

#### TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Hard rock bits, being special alloy steel disc or cone cutting bits for use in oil-boring machines, are free of duty under all tariffs (by-law under item 415A1).

Insulating boards, of a quality or kind not made in Australia, also insulating paper, other than mica paper, for use in electrical apparatus and appliances, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-laws under item 415A2).

Bed mattresses (upholstery); bar vent handles, being metal parts for attachment to textile mattresses; brass mattress ventilators, variously described as "ventilating eyelets" and "mattress eyelets and rings" for use as ventilators for upholstered mattresses; also inner springs, comprising metal springs housed in individual cells or pockets, the whole encased in hessian, if commercially used with bed mattresses only, 25 per cent ad valorem under British preferential tariff, 53½ per cent under general tariff, both rates to increase as present Australian exchange depreciation may be lessened (item 305A).

Non-spirituous butter flavour, being essentially a solution of diacetyl in glycerine, 2s. 9d. per pound under British preferential tariff, 4s. 3d. if from "most favoured" countries, 5s. from other non-British countries, with alternative rates, if higher, of 22½ per cent, 40 per cent, and 50 per cent ad valorem respectively, all rates to increase if present Australian exchange depreciation is lessened (item 11B).

Toilet sets variously described as "cleansing sets", "hostess sets", and "puff and tissue sets", consisting of cotton wool swirls and/or cleansing tissues, with or without textile pads or powder puffs—on the whole, 50 per cent ad valorem under British preferential tariff, 70 per cent ad valorem under general tariff (item 123A).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates, except where rates for "most favoured" countries are stated.

### Ireland

#### IMPORT QUOTAS FOR SILK AND ARTIFICIAL SILK HOSIERY AND LAMINATED SPRINGS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by two Orders of the Government of Eire (both dated April 29, 1941) further quotas have been fixed for the period June 1, 1941, to November 30, 1941, for importation into Eire of the following items:—

Hosiery made wholly or partly of silk or artificial silk: 240,000 pairs, which is the same amount as for the preceding six months.

Certain laminated springs of iron and steel and component parts thereof: to a value of £1,000 as against a similar amount for preceding six months' period.



## Trinidad

## IMPORT CONTROL OF FOODSTUFFS

With reference to the article on the control of import of foodstuffs into Trinidad in *Commercial Intelligence Journal* No. 1945 (May 10, 1941), page 588, Mr. G. A. Newman, Acting Trade Commissioner in Port of Spain, reports that under date of May 23 the Import Control Board advised that in respect of foodstuffs for Fleet Air Arm, United States bases and United States construction companies, the position is: (1) imports for the above are allowed free of quota to be held in bond for delivery to them only; (2) merchants are allowed to import free of quota reasonable stocks to be held in bond for delivery to above only; (3) merchants may replace, free of quota, stocks sold to above, on production of declaration that such stocks have been purchased by above. Although foodstuffs imported under these terms are free of quota restriction, it is stated they must be purchased still from sources designated by the Control Board.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 16, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 16, 1941, and for the week ending Tuesday, June 10, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 10	Nominal Quotations in Montreal Week ending June 16	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0223	\$ .0222	4
Great Britain . . . . .	Pound	4.8666			
		Buying	4.4300	4.4300	2
		Selling	4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	.0444	4
Spain . . . . .	Peseta	.1930	.1013	.1013	4
Sweden . . . . .	Krona	.2680	.2646	.2646	3½
Switzerland . . . . .	Franc	.1930	.2575	.2575	1½
United States . . . . .	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2279	.2280	—
Jamaica . . . . .	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies . . . . .	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2622	.2628	—
Brazil . . . . .	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Colombia . . . . .	Peso	.9733	.6325	.6325	4
Uruguay . . . . .	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.4633	.4646	—
South Africa . . . . .	Pound	4.8666			
		Bid	4.3862	4.3862	3½
		Offer	4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	.....	.0587	.0592	—
Hongkong . . . . .	Dollar	.....	.2701	.2702	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
		Bid	3.5440	3.5440	2
		Offer	3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Edmonton, Alta.  
Winnipeg, Man.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Saccharin.....	129	Newport, Monmouthshire, England.....	Purchase.
<b>Miscellaneous—</b>			
White Cement.....	130	Sao Paulo, Brazil.....	Agency.
Men's and Women's Woollen Accessories.....	131	New York City.....	Agency.
Cotton Goods (Cretonne, Dress Goods, etc.).....	132	Guatemala, Guatemala....	Agency.
Wool Sweaters.....	133	Guatemala, Guatemala....	Agency.
Swimming Suits of Wool and Cotton for Men and Women..	134	Guatemala, Guatemala....	Agency.

# COMMERCIAL INTELLIGENCE SERVICE

**C. H. PAYNE, Director**

---

## Argentina

**J. A. STRONG**, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

**Sydney**: **L. M. COSGRAVE**. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

**Melbourne**: **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

**L. S. GLASS**. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

**PAUL SYKES**. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

**J. L. MUTTER**, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

**Trinidad**: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

**Jamaica**: **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

**V. E. DUCLOS**. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

**C. S. BISSETT**. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

**HENRI TURCOT**. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Hongkong

**P. V. McLANE**. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

**JAMES CORMACK**, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.



## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. Scott, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

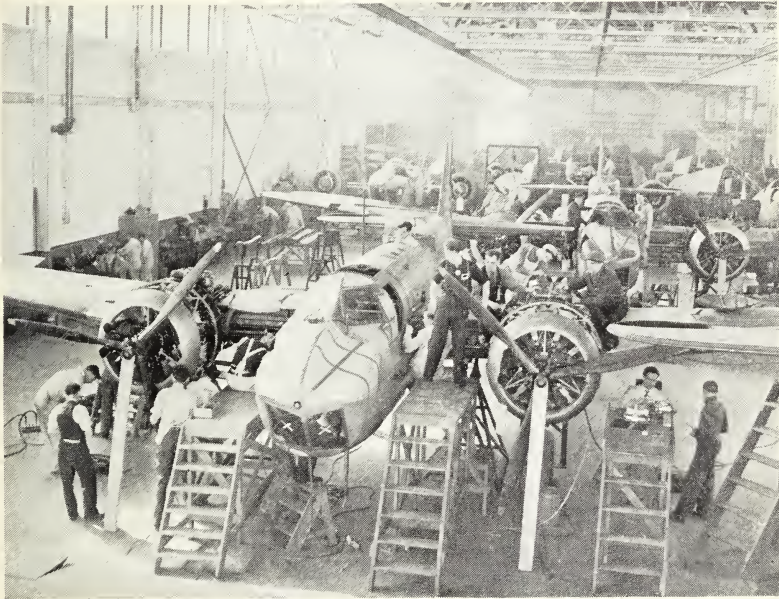
**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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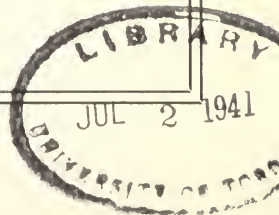
**Bolingbroke Bombers, Canadian version of the British Blenheim,  
in Final Assembly Stages in Montreal Plant**

*Photo—Public Information*

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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## CANADA'S TRADE BALANCE WITH INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Exchange value of the rupee has been steady at slightly less than 34 cents Canadian since January, 1940.)

Bombay, May 1, 1941.—For many years the balance of trade between Canada and India has been heavily in India's favour. During 1934-35 and 1935-36, for example, Indian statistics show the total exports of local merchandise to the Canadian market as having been twice as great in value as this country's purchases of Canadian products. In 1936-37 the balance was more than three to one in India's favour, while in the two succeeding years the ratio was roughly 5 to 2. During 1939-40 again India enjoyed a substantial favourable balance, the ratio of exports to imports exceeding 3 to 1.

Returns for the first eleven months of the year ending March 31, 1941, however, indicate a distinct trend towards equality in the value of the trade passing between the two countries. In this period Canada's exports to India increased by nearly 100 per cent as compared with the preceding year, while India's shipments to Canada showed a decline. The net result has been that, as between April 1, 1940, and February 28, 1941, imports from Canada into India have been valued at Rs.25,418,630 and exports of Indian goods to Canada at Rs.29,812,373.

Indian statistics of trade values for the years 1934-35 to 1939-40 and for the 11-month period ending February 28, 1941, are appended:—

### *Trade Balances between Canada and India, 1934-35 to 1940-41*

Years	Imports from Canada Rs.	Exports to Canada* Rs.	Balance in Favour of India Rs.
1934-35 . . . . .	9,156,831	17,185,612	8,028,781
1935-36 . . . . .	9,374,521	17,213,830	7,839,309
1936-37 . . . . .	7,191,256	21,791,321	14,600,065
1937-38 . . . . .	9,955,795	23,182,119	13,226,324
1938-39 . . . . .	9,075,586	21,386,107	12,310,521
1939-40 . . . . .	13,660,300	41,022,174	27,361,874
April, 1940-February, 1941 . . . . .	25,418,630	29,812,373	4,393,743

\* Indian merchandise only.

It has been accepted for many years that the balance of trade between Canada and India must remain in India's favour. The principal reasons for this are: (1) that there has always been a keen demand in Canada for Indian tea and jute products which cannot be secured from other sources; (2) that Canada is generally unable to compete with European suppliers in the local market for manufactured goods, and (3) that there is a limited market in India for many of Canada's staple agricultural, forest, mine and fishery products, owing either to local competition or to the traditionally low standards of living in this country.

The point is emphasized by the above figures of seven years' trade between the two countries. During this period India's exports to Canada totalled Rs.171,593,536 as compared with a value for Canadian imports of Rs.83,832,919. The trend in trade between the two countries during the fiscal year ending March 31, 1941, is, however, significant of the opportunities which are now available in this market as a result of diminished competition from European countries. Canadian exporters should plan to take all possible advantage of these opportunities for trade with India both at present and in the future.

## SCOTTISH HOUSING AFTER THE WAR

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, May 24, 1941.—Despite the absorption of the whole country in the prosecution of the war, post-war problems are not being shelved. For instance, plans are being laid for mass production of houses in Glasgow, while Inverness, to name only one other city in Scotland, has plans for the construction of 500 houses after the war.

In Glasgow the convener of the housing committee recently stated that the use of alternative methods of construction on an extensive scale is being contemplated. Timber erection will be used to some extent, but the main form of building is expected to be of poured concrete. A greatly accelerated output in housing is expected to result from the use of the latter system, experiments in which are now going forward.

The housing convener stated that the number of houses required in Glasgow for rehousing families living under overcrowded and slum conditions at September 1, 1939, was estimated at 49,000, of which 46,000 now remain to be built. In addition, houses required to replace wastage and to meet the demand created by marriages since that date number 3,000. At the rate of production prevailing just before the war it would take twenty years to meet the requirements, so that speedier methods of construction are necessary if the demand is to be overtaken within a reasonable time.

It may be mentioned again that most of the housing in England and Wales since the last war was done by private enterprise rather than by the municipal or county authorities, whereas in Scotland the reverse was the case. Since the last war and up to the end of March, 1938, over 3,500,000 houses were provided in England and Wales, of which over 1,000,000 were built by local authorities and over 2,500,000 by private enterprise. During the same period in Scotland there were built over 303,000, of which 208,337 were constructed by the local authorities and only 95,239 by private firms. In the opinion of the Scottish property-owners the Scottish rating system, under which the owners have to pay local rates, discourages private building. In addition, building costs are higher in Scotland than in England as a result of sounder construction and larger rooms and rents on the whole are lower.

It will thus be seen that the task before the local authorities, even if it could be resumed after the war at the point where it was left when hostilities began, would be formidable enough. But in some areas the destruction by air attack, mainly of working-class houses, has been very extensive. The end is not yet in sight, and no one can forecast the amount of wanton destruction the enemy will yet cause, nor how much the neglect of ageing property in war-time will hasten its condemnation and demolition.

In view of these facts it seems likely that the authorities will embark upon a definite housing policy for Scotland which will take its place within the framework of the larger plan for the whole of Britain, upon preliminary surveys of which the Ministry of Works and Buildings is now engaged.

In any case there can be no doubt that the demand for Canadian timber in Scotland, as in the rest of the country, will be greater than ever before, because it is highly unlikely that timber from the Baltic will be used to the same extent after the war as it has been in the past for carcassing and other purposes. In the case of timber houses, Western red cedar for siding, shingles and walls has already proved itself here.

### MR. COSGRAVE ON TOUR OF CANADA

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia (whose territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies), is on tour in the Dominion in the interest of Canadian trade with Australia. Following is his itinerary:—

Windsor and district.. . .	July 14 and 15	Kitchener and district. . .	July 21
London and district.. . .	July 16	Guelph.. . . . .	July 22
Brantford and district. . .	July 17	Hamilton and district. . .	July 23 and 24
St. Catharines and district	July 18	Toronto and district . . .	July 25 to Aug. 9
Welland . . . . .	July 19		

Firms wishing to be brought in touch with Mr. Cosgrave should communicate for Toronto, with the Canadian Manufacturers Association, and for the other centres with the respective Board of Trade or Chamber of Commerce.

### NEW ZEALAND'S OVERSEAS TRADE IN 1940

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

(The exchange value of the New Zealand pound was steady at \$3.59 Canadian throughout 1940; its average exchange value was \$3.70 in 1939 and \$4.00 in 1938.)

Auckland, May 16, 1941.—The value of New Zealand exports for the year ended December 31 last reached the record figure of £73,741,130, which was about £7,000,000 greater than the previous record of £66,713,379 in 1937, and £15,732,413 or 27 per cent greater than the value for 1939. With imports valued at £48,997,669 the excess of exports over imports was £24,743,461 as compared with £8,622,133 in 1939, £2,954,094 in 1938 and £10,552,684 in 1937.

Imports were £389,000 lower in value than in 1939 but that year's figure was £6,035,000 less than that of 1938. Almost wholly as a result of the rise in exports, the favourable balance was substantially the greatest in the past eight years, being £8,740,000 higher than the nearest comparable figure, that for 1934.

In reading these statistics consideration should be given to the rise of 15 per cent in export prices following the war purchase agreement with Great Britain. The increase in total volume of exports was about 10 per cent and was the combined result of the heavy shipments made possible by an exceptionally good season, and of the war effort to increase farm production.

The quantity increases of the principal items of export were 8 per cent for butter and wool, 21 per cent for cheese, 12 per cent for lamb, 26 per cent for mutton, and 33 per cent for beef. Wool exports rose in value by £5,200,000, butter and cheese by £4,500,000, and lamb, mutton and beef by £3,600,000, a total of £13,300,000 for these major items.

Imports for the year declined only slightly in value from the 1939 figure. This was not surprising after the substantial fall of over £6,000,000 the previous year. Owing to the rise in import prices under war conditions, the decline in volume of imports is greater than the comparison of values would indicate. The greatest decline occurred in motor vehicles, which were reduced in number



from 25,096 to 6,151 and in value from £4,193,000 to £989,000. Marked increases in value were shown for many materials imported for local manufacturers, including cotton, woollen and silk piece-goods, while those of apparel and clothing dropped to one-fourth and of footwear to one-third of the 1939 totals. Imports of tubes, pipes, fittings, metals, tinplate and sheet showed appreciable increases in value.

### IMPORT CONTROL

The control of imports during 1940 was generally more severe than in 1939 and, as previously, first consideration was given to products of the sterling countries, particularly those of the United Kingdom. Trade with the dollar countries was restricted to minimum requirements. As a result, imports from Britain declined in value only slightly; those from Australia, India and Ceylon increased; and Canada's share decreased by approximately 34 per cent. Purchases from foreign countries were severely restricted. Nevertheless, those from the United States increased by nearly £500,000 because of that country's ability to supply certain plant, machinery, raw materials and manufactures unobtainable elsewhere. Similarly the purchase of piece-goods from Japan prevented a more drastic fall in trade with that country than would otherwise have been the case.

The object of the control is to conserve dollars, protect local industry, and achieve as great a sterling balance as possible. The success in this respect in 1939 was very encouraging to New Zealand, and the results in 1940 were much more so. It should be noted, however, that the very large excess of exports over imports in 1940 was not nearly so much the result of the restriction of imports as of the substantial increase in exports. It is believed in some responsible quarters that the import trade of New Zealand has now reached a point where further restriction might cause undue hardship. If this be true, apart from a possible falling-off in the purchase of industrial plant and machinery of a capital nature, orders placed abroad in 1941 will not be far short of the 1940 values. On the other hand a substantial reduction in exports is looked for.

### DIRECTION OF TRADE

The following table shows the value of New Zealand's exports and imports in 1940 by principal countries, together with the increases and decreases as compared with 1939:—

	Exports		Imports	
		Inc. or Dec.		Inc. or Dec.
Total . . . . .	£73,741,130	+ £15,732,413	£48,997,669	— £ 389,514
United Kingdom . . . .	64,145,926	+ 17,418,234	22,944,401	— 183,360
Australia . . . . .	2,166,013	— 89,718	7,824,173	+ 1,395,958
United States . . . . .	2,825,898	— 20,990	6,086,134	+ 476,989
Canada . . . . .	1,709,169	+ 775,841	2,888,308	— 1,489,281
Netherlands E. Indies	6,857	— 956	2,197,141	— 237,760
India . . . . .	776,595	+ 631,047	1,432,395	+ 727,395
Ceylon . . . . .	774	+ 533	952,773	+ 128,581
Japan . . . . .	79,491	— 311,292	809,168	— 229,402

### SHARES OF IMPORTS

During 1940 British Empire countries supplied nearly 77 per cent of total imports into New Zealand, measured by value, as compared with 74·2 and 73·5 per cent respectively in 1939 and 1938. The United Kingdom's share was 46·8 per cent, which was the same as in 1939, and compares with 47·8 per cent in 1938. Australia's share showed an increase of 15·9 per cent as against 13 per cent in 1939 and 12·9 per cent in 1938. On the other hand, imports from Canada declined to 5·8 per cent of the total as compared with 8·8 and 8·7 per cent

respectively in 1939 and 1938. The greatest relative change in the shares of the leading Empire suppliers was in that of India, which was 2·9 per cent as against 1·4 per cent in 1939 and 1·0 per cent in 1938.

Among foreign countries, the United States supplied 12·4 per cent of the total value as compared with 11·3 per cent in 1939 and 12·3 per cent in 1938. The share of the Netherlands East Indies, second in importance outside the British Empire in recent years, was 4·4 per cent as against 4·9 and 3·9 per cent; while that of Japan declined to 1·6 per cent from 2·1 per cent in the two previous years.

## TRADE WITH CANADA

### IMPORTS

The value of imports into New Zealand from Canada during 1940 was £2,888,308, which compares with £4,377,589 for 1939, marking a decline of £1,489,281 or approximately 34 per cent. The largest single item contributing to this decrease was motor vehicles, the imports of which fell by £1,509,387. There were other considerable decreases, mostly in finished products. On the other hand, there were noteworthy increases in imports of industrial materials which for the most part represent new or additional business for Canada and may be regarded as of a war nature. They include woodpulp, paper, metals, pipes and fittings, wire, and textile piece-goods.

As part of New Zealand's determined effort to conserve dollar exchange, such hitherto important Canadian exports as canned and packaged foods, wheat, hosiery, footwear, washing machines, and motor cars, have for some time been on the prohibited list. However, several finished products—spark plugs, artificers' tools, electric motors, rubber boots, rubber tires—are unobtainable or not available in sufficient quantities from the United Kingdom and Australia and are therefore still permitted entry from Canada, though on a much reduced scale. The prospects are that these products will not be further restricted.

The important trade remaining to Canada is in partly manufactured goods, industrial machinery and equipment, and raw materials. Requirements of this nature are likely to become greater as the development of local industry gains pace.

Following are notes on import items of particular interest to Canadian exporters, values of imports from Canada in 1940, 1939 and 1938 being shown for each item:—

*Newsprint.*—1940, £403,811; 1939, £347,305; 1938, £416,363.

Under a contract which has four years to run, Canada continues to supply the entire New Zealand demand for newsprint. Partly owing to increased prices and freight charges, the value of imports in 1940 showed a sizable increase. Other contributing causes were the purchase for stock against possible shortage, and the stoppage of supplies from English firms.

At the request of the Government, newspaper publishers are making concerted efforts to reduce the consumption of newsprint by reducing the size of papers. Imports in 1941, therefore, will be on a smaller scale than in 1940. A quantity reduction of two-thirds was intimated at the beginning of the year but no authoritative statement has been made yet to confirm this.

*Wrapping Paper.*—1940, £39,379; 1939, £29,880; 1938, £48,867.

The increase in the value of imports from Canada is attributed to a larger demand for paper tape for gumming, which is included under this heading, the cutting-off of supplies from Europe, and the rise in price and in freight charges. The actual quantity of wrapping paper imported in 1940 is estimated to be slightly less than in 1939. Included in this group is toilet paper which formerly came chiefly from Europe and the United States. To-day Canada is supplying an increasing quantity of this paper.

*Fruit Wrapping Paper.*—1940, £15,880; 1939, £4,186; 1938, £4,146.

Despite the practical cessation of exports of New Zealand fruit and the decision of the Fruitgrowers' Federation not to wrap fruit for the time being, a large order was placed in 1939 and was delivered in 1940. There is now a good stock on hand and future requirements will be small.

*Woodpulp and Paper Pulp.*—1940, £21,010; 1939 and 1938, nil.

Before the German occupation of Norway, New Zealand obtained its total requirements of pulp from Finland and Sweden. Since that event Canada has become a source of supply. Total imports in 1940 were valued at £142,729. Since Canada is the only notable exporter outside Scandinavia, this figure indicates that the bulk of last year's requirements were obtained from Finland and Sweden in the earlier months of the year. Canada's shipments during 1941 will no doubt be to the extent of the tonnage that can be spared. This trade should continue at a high level for the duration of the war.

*Timber.*—1940, £23,800; 1939, £41,302; 1938, £52,260.

The values shown apply to Douglas fir and clearly indicate the effect of the restrictions on Canada's principal timber export to this market. For the first half of 1940 imports of rough sawn timber from Canada were restricted to lengths over 25 feet and to 50 per cent of the value imported in 1938. In July, 1940, this timber was placed on the open list, for which import applications are considered individually. The effect has been a further curtailment of orders placed in Canada. Progress is being made in the use of New Zealand timbers, which by regulation must be specified whenever possible. The cut of New Zealand timber in 1940 showed an increase over that for 1939 and it is expected that the downward trend in imports of Douglas fir from Canada will continue.

"Other kinds" of Canadian rough sawn timber show an increase from £5,669 in 1939 to £7,118 in 1940. So far as can be ascertained this item is made up chiefly of cedar.

*Pneumatic Tires and Tubes.*—1940, £213,297; 1939, £310,337; 1938, £394,622.

The restriction on imports of tires during the first half of 1940 was 50 per cent from the Empire; for the second half of the year the restriction applying to the United Kingdom was reduced to 25 per cent. In recent months supplies from the United Kingdom have become uncertain and the prohibition originally placed on Canadian tires for the 1941 period has been withdrawn to the extent that shipments this year are likely to approach closely in value to those for 1938.

*Rubber Boots.*—1940, £60,385; 1939, £76,556; 1938, £81,475.

Owing to the increasing difficulty in obtaining supplies from the United Kingdom the restriction on imports from Canada during the second half of 1940 was changed from 50 per cent to 25 per cent. With Japan off the market and English manufacturers facing difficulties in deliveries, Canada is likely to increase its share of this trade from approximately 90 per cent to 100 per cent. For the fifth licensing period there is no restriction on these products from Empire countries.

*Rubber Belting.*—1940, £42,476; 1939, £32,953; 1938, £31,891.

The expansion of local industries has increased the demand for belting, particularly rubber belting. In meeting the demand other suppliers have still to face keen competition from English suppliers. There are no restrictions on rubber belting from the Empire, except that values are limited to the level of 1938 imports. Leather belting, on the other hand, is prohibited from all countries.

*Machinery and Machines.*—Many of the items in this group of interest to Canada in previous years are on the prohibited list as being non-essential or of a class or kind at present manufactured in New Zealand. They include washing machines, lawn mowers, sewing machines, most electrical appliances, typewriters,



insulators, incandescent lamps, radios, milking machines, storage batteries, refrigerators. Though imports were not entirely eliminated during 1940, they were substantially reduced and, except where special licences are granted, will disappear in 1941. On the other hand, agricultural machinery, electric motors, calculating and adding machines, cash registers, vacuum cleaners, laundry machines and hand washers are still permitted entry, though only to a very limited extent.

*Agricultural Machinery.*—1940, £39,036; 1939, £34,522; 1938, £56,358.

Despite the prohibition on imports of most agricultural machinery, shipments from Canada showed an increase. The issue of special licences and the requirements for parts by local manufacturers explain this trend. Total imports in 1940 were valued at £211,510, showing a decrease from the 1939 figure of £239,420. Both Australia and Canada improved their positions at the expense of the United Kingdom and the United States. The United States is still the most important source of supply, however, leading the United Kingdom, Canada and Australia by a substantial margin.

*Electric Motors.*—1940, £44,606; 1939, £39,586; 1938, £29,031.

The local manufacture of refrigerators, washing machines, etc., is requiring increasing quantities of fractional horse-power motors and Canada's share of the trade has further improved. English motors are still given the preference but deliveries are difficult. It is probable, therefore, that orders placed in Canada in 1941 will show another increase.

*Other Machinery.*—Other machinery and apparatus, imports of which from Canada showed increases, are carbons and electrodes, wireless apparatus, oil engines, road graders and parts, tractor parts and vacuum cleaners. Notable decreases occurred in cash registers and calculating machines, electric ranges, metal-working machines, refrigeration machinery, typewriters, washing machines and insulators.

*Metals and Metal Manufactures.*—Under this head come many of the manufactured and semi-manufactured products and raw materials required for New Zealand's secondary industries. With the exception of a few items, the greater part of the requirements would be obtained, were it not for the war, from the United Kingdom. Under the present difficult circumstances of supply and delivery, Canada is obtaining an increasing share of the trade in those materials that can be spared for this market.

Values of the principal items from Canada to show increases during 1940 are: brass bars and rods, £37,636 (Nil in 1939); iron and steel bars and rods, £12,840 (£9,106); copper plate and sheet, £48,080 (£27,149); copper pipes, tubing, etc., £30,669 (£28,599); iron and steel pipes and tubing, £190,270 (£60,709); wood screws, £8,869 (£4,225); wire fencing, £80,544 (£9,331); iron wire, £249,319 (£51,420).

Considerable decreases were recorded in three items: metal cordage, £1,630 (£12,608); artificers' tools, £49,976 (£56,241); general hardware, £10,393 (£31,605).

*Hat Hoods.*—1940, £39,955; 1939, £25,245; 1938, £17,560.

The manufacture of hats in New Zealand continued to grow in importance during 1940 and Canada provided an increased share of the raw materials, particularly hat hoods of felt. There has been no published restriction on the importation of hoods from the Empire for 1941; however, a determined effort has been made to divert as much of this business as possible to Australia and the United Kingdom. The position of supplies from the United Kingdom is uncertain and it is possible that Canadian firms will continue to get a substantial share of this business. Canadian hat hoods are very well liked and compare favourably with the English makes.

*Silk and Artificial Silk Piece-Goods.*—1940, £56,908; 1939, £24,602; 1938, £29,194.

Total imports in 1940 were valued at £1,311,934, which compares with £1,040,290 in 1939. The increase is largely accounted for by the further expansion in the local dress industry and by a rise in prices. Shipments from the United Kingdom increased in value from £451,330 to £835,728, taking the place of those from enemy countries and countries under enemy control.

*Corn Flour.*—1940, £30,063; 1939, £962; 1938, £910.

Difficulties in obtaining supplies from the United Kingdom turned importers to Canadian sources for at least half their requirements of this commodity in 1940. Total imports in 1940 were to the value of over £63,000, which compares with £41,000 for 1939. This increase is mainly accounted for by a rise in price and the expansion in local manufacturing.

*Spirits.*—1940, £9,173; 1939, £1,041; 1938, £889.

Largely owing to a substantial increase in the shipments of Geneva gin, Canada's trade in spirits in 1940 showed a marked advance over recent years. After the occupation of Holland, importers of Geneva gin transferred their licences to Canada and thus swelled the imports from that source to well beyond the limits set by the 50 per cent restriction. Permission to transfer licences held for foreign supplies to British Empire countries has now been withdrawn, except in respect of brandy in view of its medicinal properties. Imports from Canada during 1941 will, therefore, be less than in 1940. They will comprise whisky and the ordinary type of gin and, as set by the regulations, will be limited to approximately 50 per cent of imports in 1938.

#### EXPORTS

Exports of New Zealand produce to Canada during the year under review reached the value of £1,709,169, the highest figure for any year in the 1931-40 period, though far short of the previous period's peak of £3,353,975 in 1929. The values for 1939 and 1938 were £933,328 and £1,116,601 respectively.

Shipments of butter, casein, woolly sheepskins, and wool showed substantial increases over those for 1939, while the movement of lamb and mutton, calfskins and tallow fell off considerably.

Comparative values of the principal exports to Canada for 1939 and 1940 are given in the following table:—

	1939	1940
Butter . . . . .	£ 3,500	£ 11,006
Casein . . . . .	12,648	24,898
Cheese . . . . .	488	6,604
Beef, frozen . . . . .	3,208	1,546
Lamb and mutton, frozen . . . . .	24,412	4,451
Sausage casings . . . . .	232,064	229,212
Calfskins . . . . .	44,408	27,920
Cattle hides . . . . .	99,441	82,287
Sheepskins with wool . . . . .	54,969	251,612
Sheepskins without wool . . . . .	8,325	15,824
Wool . . . . .	406,211	946,093
Tallow . . . . .	9,011	1,819

The chief feature of the above statistics is the large increase in the value of wool shipments. This wool has been purchased against a possible shortage in Canada by arrangement with the United Kingdom Government, which virtually controls the marketing of New Zealand's wool production. The decline in purchases of lamb and mutton may be attributed in a large measure to the prior interest of New Zealand exporters in the United Kingdom market.

## FUEL PROBLEM IN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, April 24, 1941.—During the present war, and more especially since the concentration of German attacks on shipping, there has been a marked decline in the imports of petrol and fuel into Eire, until there is now a virtual fuel famine in this country. Stocks on hand are so limited and the possibility of future supplies so uncertain that coal, petrol and kerosene are all strictly rationed. Householders are allowed a quarter of a ton of coal per month and a small number of firms and individuals is allowed a few gallons of petrol for business or professional use, while kerosene is practically unobtainable except by farmers and fishermen.

### COAL

In normal times about 2,500,000 tons of coal are consumed per annum in Eire. Less than 5 per cent of that amount is produced locally, but a government scheme for opening local coal mines is now being considered. Coal for domestic purposes makes up 1,500,000 tons of imports; 300,000 tons are used for gas manufacture; 500,000 tons are steam coal for shipping, railways, industrial and furnace work; 200,000 tons are anthracite coal and the remainder is semi-bituminous. It is possible to substitute peat for domestic coal and domestic coal for steam coal, but for the imported "gas" coal there is no alternative to imports and this renders the situation more serious. Industry and railway transport require 500,000 tons of imported coal in order to operate normally, and no part of this can be supplied from domestic sources, since certain industrial plants require special qualities of coal to ensure satisfactory operation.

### PEAT

A total of 3,500,000 tons of peat is normally consumed per annum in Eire. These figures will have to be doubled, therefore, to replace the aforementioned 1,500,000 tons of imported coal hitherto used for domestic purposes. This in turn will entail difficulties of transport by road, rail or canal, and also the conversion of furnaces, stoves and ranges to use peat. In addition, the cutting and saving of this extra turf would employ about 30,000 men for 100 days each year. This labour is not readily available because of the location of the bogs and the onerous nature of the work. In addition the turf has to be dried, which means that it must be cut by the end of July in view of the normally wet climate of this country.

### WOOD

Although in recent years afforestation has been a major government plan in Eire, the trees are not yet sufficiently mature to be of much economic use. The State has recently succeeded in securing 117,000 acres of plantable land for afforestation, but it would take 600,000 to render the country independent of timber imports. Last year some 7,000 acres were planted with trees, mostly conifers and some oak, beech, elm, ash and sycamore. Normally wood as fuel is but little used in the cities, but this year it is constantly being advertised at what is considered to be a high price, viz. 30s. per ton as against domestic coal of poor quality at 76s. per ton.

### GASOLINE AND OIL FUELS

Eire normally consumes some 40,000,000 gallons of petrol, 18,000,000 gallons of kerosene, 10,000,000 gallons of gas and oil fuel and 4,500,000 gallons of crude petroleum, all of which is imported. Liquid fuel is used for various purposes, but its main use is for road transport services; its consumption as ordinary heating fuel is small in Eire.



## AUSTRALIAN NEWSPRINT MILL IN PRODUCTION

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, May 16, 1941.—On May 12, evening newspapers in the capital cities of Australia were printed for the first time on paper made from Australian hardwood trees in an Australian newsprint mill. Sample copies of newspapers printed on this Australian newsprint are on file in the Department of Trade and Commerce, Ottawa, where they may be inspected by those interested on application, quoting file No. 18029.

For over twenty years scientists have been experimenting in the manufacture of paper from the hardwoods common to Australia. Ultimately the exhaustive research was centred on eucalyptus regnans, the mountain ash or swamp gum, one of 500 eucalypt varieties found in the Commonwealth. After laboratory tests had determined that a satisfactory newsprint might be made from Australian gum, a paper mill in British Columbia kindly agreed to process 2,000 tons of logs as a commercial experiment. Since that time further laboratory experiments have been carried out, principally to improve the colour of the newsprint. In 1937 a conference was held to determine whether or not the manufacture of newsprint from Australian hardwoods might profitably be undertaken.

### PROVISION FOR BOUNTY

Between 1934 and 1937 the average price of imported newsprint to newspaper publishers was just under £A12. As the first attempt to manufacture newsprint in Australia would naturally be on a small scale, and the cost naturally exceed the imported price, an application was made to the Commonwealth Government to give assistance to the proposed industry, either by levying a customs duty on imports or by granting a bounty to Australian-made newsprint.

In December, 1938, an act was passed in the Commonwealth Parliament offering a bounty up to £A4 a ton so long as the cost of imported newsprint was below £A18 11s. 3d. However, this act has never been brought into force because imported newsprint prices rose sharply at the outbreak of war and have never been below the bounty price.

After the passage of the newsprint bounty act steps were taken to organize the present company and on March 15, 1938, a company was registered under the Tasmanian Companies Act to be known as the Australian Newsprint Mills Pty. Ltd. with an authorized capital of £A4,000,000. Of the capital of just over £A1,000,000, issued at the outset, there was included £A250,000 in preference shares issued to the Tasmanian Government.

### CONSTRUCTION OF MILL

The construction of the mill was begun early in 1939 and it is interesting to note that 65 per cent of the plant and equipment was made in Australia. Great Britain supplied the actual paper machine, while the accessory equipment was obtained from Canada and the United States. The present installation is designed to produce 27,000 tons of newsprint a year, but already plans are contemplated to increase the production by nearly 35,000 tons a year, while ultimately it is hoped that production capacity can be increased to 108,000 tons a year.

During the year 1938-39 Australia imported 173,000 tons of newsprint, including 142,000 tons from Canada. During 1940, however, imports of newsprint were reduced by one-third to 115,000 tons and it is expected that further curtailment will be made.

Further development of the mill contemplated includes the installation of a chemical plant for the production of bleached sulphite eucalyptus pulp. This development, it is hoped, will eliminate the necessity of importing sulphite pulp for use as a constituent of Australian newsprint. At the moment the bulk of the sulphite pulp is imported from Canada. The mill, which stands on a site of 157 acres, is employing 560 Australians and a few Canadians. It is expected that 850 will be employed when full production is reached. About 15,000 horsepower is supplied by the Tasmanian Hydro-Electric Commission, and enormous filters had to be installed to ensure an adequate supply of suitable water to the mill, which requires about 5,000,000 gallons per day. On the reels of newsprint shipped from the mill appear the brand "Platypus," the name of a unique Australian animal. The brand has been selected because in an indirect way it stands for the unity of soil and water, the hillside soil which grows the eucalyptus and the waters of the Derwent river, alongside which is erected the mill. The mill-site situated about 20 miles from Hobart, has been named Boyer, the name of one of the earliest settlers in the district, and apparently first owner of the land. Boyer, it is stated, was a French-Canadian.

## AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, May 16, 1941.—The Wheat Industry Stabilization Board has concluded its preliminary review of applications made by wheat farmers for the registration of their farms for the growing of wheat and for licences to sow this cereal. In a statement issued by the chairman of the Board, it was announced that some holdings were not eligible for registration because, under the terms of the National Security Regulations, the farms on which registration was sought could not be regarded as wheat farms. Under these regulations a wheat farm is defined as a farm on which wheat has been harvested for grain in any one of the last three years. In addition, it was found that some farmers had applied for licences to sow wheat this year on areas considerably in excess of what might be regarded as their normal acreage. These applications will be considered by local committees in all wheatgrowing districts. With official help and direction, farmers are being assisted to form local committees, with the result that the administration of the stabilization scheme should be largely decentralized.

As both the wheat acquisition and stabilization regulations are wartime measures, wheatgrowing organizations are being urged to influence state governments to obtain a continuation of these or similar measures after the war, since the authority to legislate concerning primary industries is within the purview of the state governments, and not of the Federal Government.

In the expectation that the yield will be heavy and that shipping will continue to be severely restricted, consideration is now being given by the Australian Wheat Board to preparations for handling the 1941-42 harvest. Difficulties, too, may be accentuated by labour shortage, both on the farms and at country stations.

### WHEAT PRICES

Approximate export prices f.o.r. ports during the month of March in the years 1935 to 1941 were as follows: 1935, 36.04d.; 1936, 43.22d.; 1937, 64.07d.; 1938, 47.96d.; 1939, 27.19d.; 1940, 47.00d.; 1941, 50.00d.

## NOTES ON TRADE AND INDUSTRY IN THE SOUTHERN STATES OF AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

### AUSTRALIAN SUBSTITUTE FOR COD LIVER OIL

Melbourne, May 9, 1941.—Prior to the war most of the cod liver oil used in Australia was obtained from Norway, and now that this source of supply has been cut off Australia is short of sources of vitamins A and D. Vitamin D can be prepared synthetically, but vitamin A can not be thus provided; so Australia's own fish-oil resources are being carefully studied by the Commonwealth Council for Scientific and Industrial Research and the Commonwealth Serum Laboratories. The former undertook to study the sources of oils, and the latter their vitamin potency.

As a result of this work, which is still in its early stages, it has been found that the yellowtail, or kingfish, is an exceptionally good source of high-quality vitamin oil. It is reported that the livers of this fish produce about 10 per cent of their weight of a light-coloured oil of good flavour, which contains about 40 times as much vitamin A and 110 times as much vitamin D as cod liver oil. The extraction of the oil from the livers is easy, so that the chief problem is the collection of the livers. A firm in Melbourne has a plant capable of handling the livers, and is at present said to be producing a quantity of shark oil, which contains as much vitamin A as the yellowtail but has little vitamin D.

In addition, it has been found that the salmon body oil produced as a by-product of the salmon canning factory at Narooma, New South Wales, has approximately the same vitamin content as cod liver oil, and it is considered that this oil should be an important substitute for cod liver oil as well as for the pilchard oil, which is used for poultry and pig feeding.

The offal of flathead from the Sydney fish market has been found to give 3 or 4 per cent of an oil which is considered rather better in quality than cod liver oil, and it is hoped that it may prove economical to save this offal and put it to a useful purpose.

The Commonwealth Council for Scientific and Industrial Research is also studying the possibilities of other fish, such as mullet, tuna and barracouta, as sources of high-grade fish oils. An important consideration is that the oil shall be of such quality that its production will continue to be economical in peace time.

### MANUFACTURE OF CARDBOARD AND OTHER BOARDS IN SOUTH AUSTRALIA

It is reported that the production of cardboard made from waste paper will be begun at the end of June by a South Australian factory. It is intended to extend the output quickly to wood-pulp board, leather boards and manila and grey boards. The company is said to have adequate supplies of softwood timber under its charter from the South Australian Government. Because of the necessity to augment domestic supplies of pulp and pulp boards, the company has been urged to begin production as soon as possible. Some of the company's products are commodities for which import licences can no longer be obtained, and are essential for munitions manufacture in the Commonwealth. Heavy machinery from the United States has been placed in position in the factory, while other plant has been delivered from the United Kingdom and the Eastern States.

### SCHEME FOR EMERGENCY STOCKS OF FOODSTUFFS IN AUSTRALIA

Under the Commonwealth National Security (Emergency Supplies) Regulations, rules have been gazetted in Victoria to implement the plan for the



compulsory storage of essential foodstuffs in the event of a national emergency, for instance, such as the taking over of all shipping by the Navy. The scheme is to apply for the moment only to country centres, as the cities are deemed to be insured against emergency owing to most food suppliers being located in cities; and no actual storage of food is to take place unless a state of emergency has been declared. An Emergency Reserves Stocks Committee has been appointed and the organization for putting the scheme into operation is expected to be completed very shortly. The Victorian plan may be adopted by the Federal Government as a model for other states; it is designed to use existing trading facilities to build up the reserves without interfering with ordinary business. Stocks are to be held by retailers in their own storages, as far as possible, but if such storages are inadequate, then in any suitable storages which the Government has power to commandeer.

The following commodities have been classed as essential foodstuffs:—

*Class A.*—Baking powder, bicarbonate of soda, biscuits, bread improver, candles, condensed and powdered milk, cream of tartar (or substitutes therefor), flour, honey, infant foods, invalid foods, jam, lighting kerosene, matches, salt, self-raising flour, soap, sugar, tea, and tinned fruits.

Three months' supply of Class A must be provided.

*Class B.*—Cheese, dried fruits, oatmeal (all types), pearl barley, rice, and split peas.

One month's supply of Class B must be kept in reserve during the period commencing December 1 in any year and ending on March 31 in the following year. During the remainder of the year, April to November, three months' supply must be kept, but progressively reduced in accordance with official instructions.

*Class C.*—Covers bacon, butter and ham. A fortnight's supply of these must be kept in reserve during the period commencing September 1 of any year and ending April 30 of the following year. During the remainder of the year one month's supply must be kept.

The rules provide that all retailers of foodstuffs outside the metropolitan area should first register under the scheme, then appoint registered receivers. The latter will fill in an "original requisition" which, after having been signed by the "local authority" (probably a local bank manager), would be forwarded to the supplier of the goods requisitioned. The supplier would then proceed to make such preparations as would enable him to forward immediately the goods requisitioned, should a state of emergency be proclaimed. He would then forward the goods, endorsing the consignment note "Account Emergency Reserve Stock", at the direction of the civil supply transport officer of the Victorian Railways, which would become the sole transport authority under the scheme, although goods may not actually be sent by rail.

Machinery is provided for the absorption of reserves by ordinary trading when the emergency has passed. Suppliers would not be paid for their goods until they were withdrawn from reserve, but interest on trading capital thus "frozen" would be paid jointly by the State and Federal Governments.

Victorian manufacturers in each industry have been invited to appoint representatives to act as liaison officers between their branches of production and the Emergency Reserves Stocks Committee.

## ECONOMIC CONDITIONS IN JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, June 11, 1941.—Notwithstanding the exigencies of war, which have necessitated rigid control of trade, the economic condition of Jamaica is by no means unfavourable. This is due mainly to two circumstances: (1) the appreciation in value of most items of the export trade; in some instances this factor has been strengthened by the shipment of larger quantities this year than last; and (2) the spending in the Colony by the British and United States Governments of considerable sums of money for purposes connected with the war.

As regards the first of these factors, it is interesting to note that, according to a recently published official return, the total value of Jamaica's domestic export trade in the period January-April, 1941, was £1,041,628 f.o.b. as compared with £758,210 in the corresponding period of 1940—a gain of £283,418. Most of the large items of export showed increases in value as well as in volume in 1941, but in several cases values rose notwithstanding decreases in volume.

### EXPORTS OF BANANAS

Bananas, normally Jamaica's principal export commodity, so continued for the entire year 1940, but in the first four months of 1941 they took second place to sugar. Shipments of this fruit rose from 910,289 stems (£116,731 f.o.b.) in the first four months of 1940 to 1,701,824 stems (£253,750) in the corresponding period of 1941. The 1940 shipments were very short, due to the hurricane of November, 1939, and, although those made in 1941 were much less than the total for a like period of a normal year, they are noteworthy from the fact that they comprise sales to Canada and the United States only. The United Kingdom market was closed owing to war conditions, and those sales represent a considerable rise above levels obtaining in several preceding years. Shortly after the British Government was obliged to prohibit the import of bananas into the United Kingdom, arrangements were made for Canada to take more of this fruit from Jamaica. The United States market, to which no shipments had been made for several years previously, has been reopened. The proceeds of sales to both these countries are credited to the British Government against the 3s. per count bunch it pays the Jamaica planters up to a maximum of 12,000,000 bunches in respect of the current year's crop, although not taking delivery of any fruit.

### EXPORTS OF OTHER PRODUCTS

In the first four months of 1941 sugar became Jamaica's most valuable single item of export, total shipments in this period being 33,743 tons (£387,143) as compared with 27,360 tons (£283,582) in the corresponding period of 1940.

Although exports of rum in the 1941 period totalled 169,881 gallons as against 186,449 gallons in 1940, the respective values were £100,494 and £72,346.

Coffee exports were 2,441,653 pounds (£45,593) in 1940 and 2,377,906 pounds (£50,049) in 1941.

Oranges totalled 82,614 boxes (£27,322) in 1940 and 77,195 boxes (£30,900) in 1941. Orange oil showed a heavy increase in value, shipments in the stated period of the former year being 13,002 pounds (£3,882); in the corresponding period of 1941 they totalled 12,112 pounds (£6,019).

Exports of ginger rose from 755,690 pounds (£14,096) in the 1940 period to 1,096,642 pounds (£26,238).

Shipments of pimento declined from 1,030,244 pounds in 1940 to 516,640 pounds in 1941, but the respective values were £33,937 and £29,052.

Exports of cocoa increased from 776,187 pounds (£10,721) to 1,472,346 pounds (£20,584).

In 1941, coconuts, honey and a few other items, showed decreases in quantity and value below the 1940 record.

#### EXTRAORDINARY EXPENDITURE

With regard to extraordinary expenditure in the Island for purposes connected with the war, it has been officially stated in the Jamaica Legislative Council that when work on the United States defence base, now under construction, reaches its peak, about 8,000 labourers will be employed at wages totalling approximately £12,000 weekly. Considerable disbursements are already being made on this account and, together with others made by public authorities, they have had an all-round beneficial effect upon business in the Island, because most of the money is used to buy goods.

#### IMPORT TRADE

The import trade of Jamaica totalled £1,435,134 in c.i.f. value during the first three months of 1941 as against £1,682,974 in 1940. The decline was largely due to wartime restriction of trade but does not indicate a corresponding shrinkage of consuming capacity, because more food is now being locally produced than ever before.

#### FOOD PRODUCTION

In connection with local food production, it is noteworthy that the government-owned cornmeal mill not only can now produce enough of this food, made from maize grown in Jamaica, to serve the entire domestic demand, but also has accumulated such heavy stocks that the Food Controller has issued an order, effective as from June 16, providing that 10 per cent of the material used to make bread (except that made of whole-wheat flour, which is in small demand) must consist of cornmeal. This regulation is enforced by requiring every baker buying nine units of baking flour to buy one unit of cornmeal at the same time and by forbidding the baking of bread for sale (except brown or whole-wheat bread) unless it is composed of these ingredients in the proportions stated. There will of course be an ensuing reduction in flour imports; those of cornmeal were prohibited some time ago. A publicity campaign is under way to popularize the use of cornmeal, the retail price of which has been reduced from 2½d. to 1½d. per pound, and £21,000 has been voted for the extension of the local mill.

The imposition of excess profits taxes is under consideration.

### PURCHASES FOR UNITED STATES DEFENCE BASES IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ACTING TRADE COMMISSIONER

Port of Spain, June 7, 1941.—Under the terms of the Anglo-United States Agreement of March 27, 1941, concerning leases of air and naval bases, the United States received on a 99-year lease, land for naval, army and air bases in Trinidad, British Guiana, St. Lucia and Antigua as well as at other points outside the British West Indies (Eastern Group).

From a commercial point of view the relative importance of these various bases may be estimated from the published statement that for the construction of army bases alone in this area the sum to be spent in Trinidad would be \$40,000,000; in British Guiana, \$2,000,000; in St. Lucia, \$2,500,000; and in Antigua, \$2,500,000. Further sums are being spent under navy contracts which amount to \$11,487,000 for Trinidad and British Guiana.



Actual construction of navy and army bases is proceeding as separate enterprises under contracting firms whose names and addresses may be obtained by applying to the Department of Trade and Commerce, Ottawa.

The general procedure in respect to purchase is fairly uniform. The contracting companies order materials with the approval of the naval and army authorities through their respective head offices or branch offices in the United States. Emergency requirements may be purchased from local sources wherever stocks are available.

Under Article XIV of the Agreement, exemptions from customs and excise duties have been granted as follows:—

(a) Material, equipment, supplies or goods for use in the construction, maintenance, operation or defence of the bases, consigned to or destined for the United States authorities or a contractor.

(b) Goods for use or consumption on board of United States public vessels of the Army, Navy, Coastguard or coast and geodetic surveys.

(c) Goods consigned to the United States authorities for the use of institutions under Government control known as post exchanges, ships' service stores, commissary stores or service clubs, or for sale thereat to members of the United States forces or civilian employees of the United States being nationals of the United States and employed in connection with the bases, or members of their families resident with them and not engaged in any business or occupation in the territory.

(d) The personal belongings or household effects of persons referred to in sub-paragraph (c) and of contractors and their employees being nationals of the United States employed in the construction, maintenance or operation of the bases and presently in the territory by reason only of such employment.

The Trinidad Government has since informed local importers that a duty refund, less 10 per cent of the duty collected, will be permitted on goods sold from local stocks to United States Government authorities. A number of points arising from this policy are now in process of clarification.

The Trinidad Control Board also have announced that quota-free privileges for foodstuffs nominally under quota will be allowed in respect to imports for United States bases and construction companies on the following terms:—

1. Imports are allowed free of quota to be held in bond for delivery to them only.
2. Merchants are allowed to import free of quota reasonable stocks to be held in bond for delivery to above only.
3. Merchants may replace, free of quota, stocks sold from their own warehouses to the above, on production of a signed declaration that such stocks have been purchased by the above.

The Control Board, however, reserve the right to indicate the source from which all such imports may be obtained and still adhere to the policy of restricting imports as far as possible to sterling or Empire sources.

## FLOUR MARKETING SITUATION IN EGYPT

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, in a letter dated April 18, 1941, recently received, writes regarding the market for flour in Egypt as follows:—

Owing to lack of freight, no Indian flour, either for transshipment to nearby markets (Palestine and Cyprus) or for consumption in Egypt, has reached Egyptian ports for some time. The small shipments of Indian flour last received were designed for the British army.

Very little Australian flour has been received of late in Egypt and no early arrivals are expected owing to the freight situation. According to reports received by the trade, all the space available is booked by the Australian Government and private concerns in Australia cannot obtain any.

Prior to the war the combined monthly imports of the two principal brands of United States flour sold in Egypt amounted to approximately 2,500 bags of

140 pounds. The agents for these brands purchased for their account, carried stocks and sold ex stores to wholesale merchants; the latter in turn sold to small bakers and also direct to the larger bakeries. The agents for one of these brands continue their policy of selling ex stores, but sales have diminished considerably owing to high prices. This brand is quoted at present at P.T. 270 (ex stores) per sack, which is equivalent, customs duties being taken into consideration, to about £31 per ton c.i.f. Alexandria. The agents for the other are reported to by quoting ex stores no longer.

Canadian flour at present costs about £19 per ton c. & f. Egyptian ports, insurance and war risks (approximately 12 per cent) extra. Canadian flour, therefore, is much cheaper than that from the United States. If this discrepancy continues, Canadian flour shipments to Egypt will naturally increase at the expense of United States flour, in spite of the fact that the leading brands from the United States command a considerable premium over all other brands imported. A greater interest in Canadian flour is evident and some small shipments are on their way to Egypt, while further transactions are looked for.

As regards semolina, the demand for the imported product is not very great. The Egyptian alimentary paste industry is developing, but the larger part of its production is of an inferior quality and it makes use of domestic semolina largely, despite its low proportion of gluten. For the better quality pastes a blend of domestic and foreign semolina is used but very little paste is made exclusively from imported semolina. Consequently imports are limited; they are placed at about 100 tons per month and come from the United States and Canada. Until recently United States semolina had the larger share of the trade; however, lower prices for Canadian semolina have lately resulted in orders being passed to Canada in preference to the United States.

## MARKET FOR CANNED MUSHROOMS IN MEXICO

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, May 29, 1941.—The market for canned mushrooms in Mexico is chiefly controlled by Japan; prior to the outbreak of war this business was principally in the hands of French suppliers. The best known brand on the market is "Champion", which comes in 6-ounce tins in salt water. In view of the fact that the well-known French brands have disappeared completely from the market and that the quality of the Japanese canned goods is not favoured, an opportunity is afforded Canadian exporters to compete. Canadian firms desirous of entering this market should forward samples of their products to the Canadian Trade Commissioner at Mexico City in order that the retail trade may become acquainted with the type of mushroom offered. Grilled mushrooms are required, and prices must be competitive.

## GOVERNMENT REGULATIONS

Exporters are required to register their product with the Mexican Department of Health. For this purpose five labels from containers of each type of product offered must be supplied, together with a certificate from the Canadian authorities and from a Chamber of Commerce to the effect that the products offered are freely sold in Canada as foodstuffs and are not harmful. An agent must be named for the Republic of Mexico, with full authorization to undertake registration of his principal's products. Documents must be duly legalized by the nearest Mexican Consul in Canada and are required in all similar cases by the Mexican Health Department. Registration fees, amounting to approximately \$12 Canadian currency, must be paid by the exporter.

Exporters cannot expect to do business if they request that credits be opened. Goods must be sold to a reliable agent on terms of cash against documents.

### IMPORTS

Official statistics of Mexican imports of canned mushrooms from principal sources of supply in 1939 and the first six months of 1940 are as follows in kilos (of 2·2 pounds):—

#### *Mexican Imports of Canned Mushrooms*

	1939	Jan.-June, 1940
	Kilos	Kilos
Total . . . . .	11,892	8,036
China . . . . .	490	299
United States . . . . .	618	206
France . . . . .	11,637	5,755
Italy . . . . .	15	77
Japan . . . . .	91	1,699

## COLOMBIA'S FOREIGN TRADE IN 1940

A. K. DOULL, ACTING TRADE COMMISSIONER

(1·75 peso equals U.S.\$1.)

Panama City, May 26, 1941.—According to the "Revista del Banco de la Republic" which publishes a monthly statistical report in Bogota, Colombia's total foreign trade during 1940 was valued at 272,740,000 pesos. Of this amount exports were valued at 124,548,000 pesos as against 136,472,000 pesos in 1939, a decrease of 11,924,000 pesos; and imports were valued at 148,192,000 pesos as compared with 183,462,000 pesos, a decrease of 35,270,000 pesos. Since the decrease in the value of imports was much greater than that in exports, Colombia had a favourable balance of trade for the year as against an unfavourable trade balance during 1939. If gold exports valued at 41,838,000 pesos are taken into consideration, Colombia's favourable balance would be greater by that amount.

### EXPORTS BY COUNTRIES

As usual the United States was the leading purchaser of Colombia's products, exports to that country being valued at 74,315,214 pesos as against 62,918,000 pesos in 1939, an increase of 11,397,214 pesos. Canada was easily Colombia's second-best market taking goods valued at 18,748,188 pesos as against 12,500,000 pesos in 1939, an increase of 6,248,000 pesos.

Exports to France were valued at 5,147,331 pesos as against 5,500,000 pesos in 1939, a decrease of only 352,669 pesos. These exports to France were naturally only up until the time of that country's capitulation in June. Exports to the United Kingdom were valued at 3,216,772 pesos as against 2,800,000 pesos in 1939, an increase of 416,772 pesos.

Exports to Argentina were valued at 2,355,373 and to Italy at 1,398,780 pesos. Exports to other countries were all valued at less than 500,000 pesos for each country.

### PRINCIPAL PRODUCTS EXPORTED

Exports of coffee during 1940 were valued at 74,023,000 pesos as compared with 87,125,000 pesos in 1939, a decrease of 13,102,000 pesos. Of this amount United States' purchases were valued at 69,127,695 pesos and Canada's at 3,216,772 pesos.

Petroleum exports were valued at 39,920,000 pesos as against 31,903,000 pesos, an increase of 8,017,000 pesos. Canada was Colombia's largest purchaser of petroleum, exports to the Dominion being valued at 15,324,467 pesos.



Banana exports were valued at 5,610,000 pesos as against 8,679,000 pesos, a decrease of 3,069,000 pesos. The United States and the United Kingdom were the chief purchasers of this commodity. Hides were exported to a value of 1,475,000 pesos as compared with 3,638,000 pesos, a decrease of 2,165,000 pesos. Chief purchasers of hides were the United Kingdom and the United States.

#### IMPORTS BY COUNTRIES

Colombia's chief source of supply continued to be the United States. Imports from the United States were valued at 110,181,065 pesos as compared with 102,100,000 pesos in 1939, an increase of 8,081,065 pesos. Imports from the United Kingdom were valued at 12,512,064 pesos as against 18,400,000 pesos, a decrease of 5,887,936 pesos.

Other countries from which Colombia imported during 1940 included Argentina (2,231,968 pesos), France (2,828,781 pesos), Italy (2,088,784 pesos), Belgo-Luxembourg (1,829,352 pesos), Peru (1,845,182 pesos), and Canada (1,562,065 pesos).

#### IMPORTS BY COMMODITIES

Imports of automobiles, trucks and chassis were valued at 7,532,799 pesos as against 12,075,832 pesos, a decrease of 4,543,033 pesos. These imports practically all originated in the United States. Iron and steel products, including sheets, bars, pigs and tubing, etc., were imported to a value of 6,339,252 pesos as against 8,757,991 pesos in 1939, a decrease of 2,418,739 pesos. Larger imports of steel products in 1939, especially steel pipes, were due to the fact that a large pipe line was being constructed in Colombia by one of the large oil companies. These imports came almost entirely from the United States. Imports of cotton fabrics, cotton drills and woollen cloths showed a large decrease during 1940, due to difficulties in obtaining these textiles from Great Britain but more especially to a large expansion in the domestic textile industry. While imports of cotton fabrics and drills fell from 9,397,825 pesos in 1939 to 2,346,511 pesos in 1940, imports of textile machinery in 1939 were valued at 2,769,354 pesos as against nil in 1940, which explains the decrease in imports of cotton textiles.

Imports of raw cotton showed an increase from 2,805,888 pesos in 1939 to 3,634,255 pesos in 1940. This was natural in view of the above-mentioned development. Imports of woollen cloths were valued at 1,427,330 pesos as against 2,970,919 pesos; these were chiefly from Great Britain. Imports of heavy machinery were valued at 3,882,217 pesos as against 3,776,981 pesos, and those of rubber tires at 2,983,848 pesos as against 2,737,313 pesos. Tires were imported chiefly from the United States and Canada.

Imports of rice were valued at 993,237 pesos as against 2,805,888 pesos, a decrease of 1,812,651 pesos. This large decrease in rice imports was due to excessive imports in 1939 in anticipation of difficulties in obtaining supplies, due to the war. Better crop yields in 1940 were also a factor.

Imports of silk yarns were valued at 1,704,992 pesos as against 1,617,244 pesos.

#### COLOMBIA'S TRADE WITH CANADA

Colombia's total trade with Canada during 1940 was valued at 20,310,253 pesos as against 14,900,000 pesos in 1939, an increase of 5,410,253 pesos. Exports to Canada were valued at 18,748,188 pesos as against 12,500,000 pesos, an increase of 6,248,199 pesos; and imports from Canada totalled 1,562,065 pesos as against 2,400,000 pesos, a decrease of 837,935 pesos. Colombia had thus a favourable trade balance with Canada amounting to over 17,000,000 pesos.

Chief exports to Canada were petroleum and coffee. Exports of petroleum to the Dominion were valued at 15,324,467 pesos and those of coffee at 3,216,772

pesos. Imports from Canada are not listed, but it is known that these were chiefly newsprint, kraft paper, wheat, automobile tires, and canned fish.

The following is a summary of Colombia's trade with Canada for the years 1940 and 1939:—

	1940 Pesos	1939 Pesos
Exports to . . . . .	18,748,188	12,500,000
Imports from . . . . .	1,562,065	2,400,000
Total trade . . . . .	20,310,253	14,900,000
Favourable balance . . . . .	17,186,123	10,100,000

## ECONOMIC AND TRADE CONDITIONS IN THE PHILIPPINES IN 1940

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(1.80 Philippine peso equals \$1 Canadian)

Hongkong, April 25, 1941.—The war in Europe and disturbed conditions in the Far East had considerable effect during 1940 on business conditions in the Philippine Islands. Prices of the major products of the Islands were at very low levels, which reduced the incomes and general purchasing power of the inhabitants. This tendency was reflected in the reduced volume of both domestic business and import trade. Other adverse factors were the scarcity of shipping space, higher freight and insurance rates, trade controls and exchange restrictions, slow sales and collections, and heavy stocks of goods.

Trade with European countries was almost completely halted. However, this was compensated for by increased exports to the United States and other Pacific areas.

The primary cause of the decline in domestic business was the low level of prices for the major Philippine products. Returns for sugar and copra dropped to all-time lows. From a monthly average price of 6.19 pesos per picul (133½ pounds) in February, export sugar dropped to 4.82 pesos in August. When new United States quotas were announced in December, the price responded, and by December 21 it had risen to 5.49 pesos. Copra prices were also down, reaching a low of 2.83 pesos per 100 kilos (220 pounds) in August. This was due mainly to the closing of European markets, to competition in the United States market from other fats and oils that undersold Philippine products, and to a larger output of copra. There was a recovery, however, in the latter part of the year, and on December 21 the price was 3.87 pesos. The hemp market was poor, due to restrictions initiated in both England and Japan. Prices of Manila fell to 8.23 pesos per picul, but recovered in December to 9.62 pesos. There was a reduction in purchases of tobacco by Spain and the United States, but prices remained fairly steady owing to the limited stocks in the hands of most dealers. In general the declines ranged from 3 to 33 per cent as compared with 1939 prices; as compared with 1937 quotations, copra prices decreased by 69 per cent and those of hemp by 59 per cent.

### DOMESTIC TRADE

Sales in the domestic market were reduced considerably because of the reduced purchasing power of the people, and with the exception of a few commodities sales were lower than in 1939. As a result of heavy inventories and slow sales, a number of imported lines had to be sacrificed at below replacement prices. Retail trade in Manila and other large cities, where the population consists principally of salaried employees, was not so badly affected, but in the provinces, and particularly those districts dependent on production of export commodities, the depression was very apparent.

## MINING

The mining industry made steady progress during 1940. There was an increasing output of gold and strategic metals, including copper, chrome, iron and manganese. Milling capacities were increased by many companies, and development work was pushed forward. According to mill returns, the total production of gold reached an aggregate value of 78,335,461 pesos, an all-time high and a 6 per cent increase over the 1939 value.

## FOREIGN TRADE

Preliminary figures show that the total value of the foreign trade of the Philippines was 579,300,141 pesos in 1940 as against a total of 561,655,788 pesos for the previous year. Imports and exports of gold and silver are included in the above totals. Imports were valued at 269,720,497 pesos, an increase over the previous year's figure of 245,559,992 pesos. It is probable that higher freights and other costs account in considerable part for these increased values. The value for exports during the year totalled 309,579,644 pesos as compared with 316,095,796 pesos during 1939. The decrease was due primarily to reduced demand abroad and, during the latter part of the year to a shortage of freight space. The excess of exports over imports amounted to 39,859,147 pesos as against 70,535,804 pesos in 1939.

During 1940 the Philippines became increasingly dependent on the United States, both for the sale of her goods and as a source of supply for her import requirements. The stoppage of the normal flow of trade, due to the war, was in part responsible for this development, although the bulk of the overseas trade of the Islands is with the United States. Preliminary figures show the value of trade between the two countries as 463,147,034 pesos, or practically 80 per cent of the total trade of the Philippines. Exports to the United States were valued at 253,640,918 pesos as against 242,340,586 pesos in 1939. Imports for the same years were valued at 209,506,116 pesos and 166,855,706 pesos respectively. In 1940 the Islands enjoyed an excess of exports totalling 44,134,802 pesos.

## IMPORTS BY COUNTRIES

Values of imports into the Philippines from principal countries of supply in 1940 and 1939 were as follows:—

*Imports into the Philippines by Principal Countries*

	1939 Pesos	1940 Pesos
United States . . . . .	166,855,706	209,506,116
Japan . . . . .	15,227,484	12,063,121
Great Britain . . . . .	5,961,200	3,760,291
China . . . . .	5,287,748	6,211,560
Dutch East Indies . . . . .	5,954,850	8,134,342
Hongkong . . . . .	1,792,756	2,047,781
Canada . . . . .	2,450,957	3,162,875
Australia . . . . .	4,004,662	3,605,148
British East Indies . . . . .	4,516,409	3,443,867
Netherlands . . . . .	5,907,905	2,557,217

As mentioned above, imports from the United States increased considerably. There were increases also in values of purchases from China, the Dutch East Indies, Hongkong, and Canada. Shipments from Japan, Great Britain, Australia, the British East Indies, and the Netherlands were smaller.

## PRINCIPAL IMPORTS

There was a moderate increase in the value of imports. This is partly accounted for by increasing transportation costs, although it is probable that the cutting-off of cheaper supplies from Europe was mainly responsible.



Principal imports for the past two years were as follows:—

*Imports into the Philippines by Principal Commodities*

	1939 Pesos	1940 Pesos
Iron and steel manufactures . . . . .	41,312,269	43,164,206
Cotton goods . . . . .	38,772,535	35,284,360
Mineral oils . . . . .	16,084,621	22,568,467
Tobacco products . . . . .	13,944,760	14,428,876
Automobiles, trucks and parts . . . . .	10,893,375	9,346,893
Meat and dairy products . . . . .	11,047,779	12,008,926
Paper manufactures . . . . .	9,068,629	13,002,337
Wheat flour . . . . .	8,312,105	9,692,054
Chemicals, drugs, etc. . . . .	7,694,538	8,605,952
Electrical machinery, appliances, etc. . . . .	7,649,843	7,918,283
Silk goods . . . . .	6,674,022	9,608,780

The principal imports consisted of iron and steel manufactures, in which were included machinery products. Cotton goods were next in importance, although they were less than in the previous year. The increased importation of mineral oils was considerable. Under present conditions these imports will no doubt continue to increase. Advancing prices account for the excess in other principal lines of imports.

EXPORTS BY COUNTRIES

The following table shows the values of exports to the principal buyers of products from the Islands in 1940 and 1939:—

*Exports from the Philippines by Principal Countries*

	1939 Pesos	1940 Pesos
United States . . . . .	242,340,586	253,640,918
Japan . . . . .	15,913,279	17,592,199
Great Britain . . . . .	6,645,924	7,205,851
China . . . . .	2,029,411	3,687,494
Dutch East Indies . . . . .	863,418	1,173,379
Hongkong . . . . .	1,718,236	3,719,348
Canada . . . . .	786,634	1,269,918
Australia . . . . .	833,867	787,988
British East Indies . . . . .	1,629,864	2,624,870
France . . . . .	3,525,594	3,117,665

Exports to the United States and Japan showed increases. Exports to other principal customers, except France and Australia, were also greater.

PRINCIPAL EXPORTS

As mentioned previously in this report, on account of the extremely low prices received for the staple products of the Philippines, exports were restricted. Excluding gold, total exports in 1940 were valued at 231,826,148 pesos as against 242,452,457 pesos in 1939.

Values of the principal exports in 1940 and 1939 were as follows:—

*Exports from the Philippines of Principal Commodities*

	1939 Pesos	1940 Pesos
Sugar . . . . .	99,346,938	91,973,271
Copra . . . . .	26,802,495	18,802,722
Abaca . . . . .	23,744,973	27,101,702
Coconut oil . . . . .	18,342,207	19,723,681
Embroideries . . . . .	10,694,144	9,176,695
Desiccated coconut . . . . .	8,837,495	7,381,862
Tobacco products . . . . .	14,529,146	9,056,031
Lumber and timber . . . . .	6,363,177	7,184,982
Iron ore . . . . .	5,097,848	5,529,480

	1939 Pesos	1940 Pesos
Copra meal and cake . . . . .	4,250,146	2,741,261
Canned pineapple . . . . .	3,415,809	4,998,211
Cordage . . . . .	3,173,836	3,482,959
Chrome ore . . . . .	2,153,640	3,884,121
Copper ore . . . . .	930,811	887,902
Manganese ore . . . . .	766,899	1,499,809

Sugar exports were lower in 1940, but accounted for a large part of the export trade of the Islands. Abaca or hemp showed increased values, whereas those of copra, coconut oil, and desiccated coconut were lower. An interesting development has been the increase in the export of base metals.

#### TRADE WITH CANADA

As shown above, Canada's exports to the Philippines in 1940 were valued at 3,162,875 pesos, a satisfactory increase over the previous year when they were valued at 2,450,957 pesos. No details are available concerning quantities of the items imported, except in the case of flour, which is the most important commodity supplied by Canada. Arrivals of Canadian flour in the Philippines in 1940 totalled 491,133 sacks (of 49 pounds), a decline from the total of 546,185 sacks in 1939. Shortage of shipping on the Pacific will probably be a severe handicap to the trade between the two countries during 1941.

#### IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to May 31, 1941:—

Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to May 31, 1941 Quantity	Per cent
Cattle (700 lb. or more) . . . . .Head	225,000	3 to 1½c. per lb.	49,840	22.1
Cattle (less than 200 lb.) . . . . .Head	100,000	2½ to 1½c. per lb.	61,332	61.3
Whole milk . . . . .Gal.	3,000,000	6½ to 3¼c. per gal.	2,375	....
Cream . . . . .Gal.	1,000,000	56% to 28% <sup>10c.</sup> per gal.	334	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish . . . . .Lb.	15,000,000	2½ to 1¼c. per lb.	3,011,110	20.0
Seed potatoes . . . . .Bu.	1,500,000 beginning Sept. 15 1940	75 to 37½c. per 100 lb.	716,064	47.7
White or Irish potatoes, other than seed potatoes . . . . .Bu.	1,000,000 beginning Sept. 15, 1940	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	117,266	11.7
Red cedar shingles . . . . .Sq.	2,488,359		1,413,314	56.7
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins . . . . .No.	100,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	70,000	Quota filled
Tails . . . . .Piece	5,000 beginning Dec. 1, 1940	50 to 35 per cent ad val.	4,964	99.3

\* The duty on live foxes of 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930, is not affected by the agreement.

During the second quarter of 1941 Canada shipped 16,914 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 32.7 per cent of the quarterly quota allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the second quarter of 1941 was filled and receipts over and above this amount were subject to the full rate of tariff.

Under the classification of silver or black foxes, furs and articles, the quota allotment of 500 pounds of paws, heads and other separate parts was filled. There were entered 364 pounds of piece plates or 66.2 per cent of the quota of 550 pounds, and 35 units of articles other than piece plates or 7.0 per cent of the quota of 500 units. However, there is no indication in the statement by the Treasury Department that any of the above articles were imported from Canada.

### TRADING WITH THE ENEMY

During recent months a number of firms in neutral countries, who have been acting as agents or representatives of Canadian exporters, have been placed on the Canadian List of Specified Persons. It has come to the attention of the Department of Trade and Commerce that in a number of cases these firms, on learning that they would no longer be permitted to do business with Canada, have written to their Canadian principals recommending other firms as suitable successors to themselves.

The Department of Trade and Commerce wishes to point out that recommendations of this nature from such sources must be regarded with suspicion and before being accepted should be referred to the Department for investigation.

### TARIFF CHANGES AND TRADE REGULATIONS

#### United Kingdom

##### EGG MARKING REGULATIONS RE-IMPOSED

With reference to the notice in *Commercial Intelligence Journal* No. 1948 (May 31, 1941), page 681, announcing the suspension of Merchandise Marks Order No. 5 of 1928, in so far as that order related to the marking of eggs imported into the United Kingdom from the United States and the Dominions, the Animal Products Trade Commissioner for Canada in London, in a cablegram of June 17, advises that the Ministry of Food requests that all eggs be marked with the country of origin as previously.

This means that, before importation into the United Kingdom, eggs must be marked with an indication of origin applied conspicuously and durably in ink on the shell of each egg in letters not less than two millimetres in height.

##### WITHDRAWAL OF OPEN GENERAL LICENCES

With reference to the article in *Commercial Intelligence Journal* No. 1928 (January 11, 1941), page 49, giving a list of the Open General Licences in force in the United Kingdom as at December 2, 1940, the Import Licensing Department has announced further withdrawals, namely, "rubber, raw, including crepe; rubber latex; raw gutta percha and balata; but not including reclaimed and waste rubber", effective as from May 7, and "antimony ores, concentrates and residues, and antimony, crude and semi-manufactured", effective as from May 19.



## Australia

### RATIONING OF NEWSPRINT

The Canadian Trade Commissioner in Sydney cabled on June 20 that proposed newsprint rationing regulations to become effective in Australia on July 1 would reduce imports to 45 per cent of the base-year figure, with an estimated saving of 100,000 tons per annum. The base year is the twelve months ended June 30, 1939.

Newsprint rationing commenced in Australia on July 1, 1940, the reduction from base-year consumption ranging from 16 $\frac{2}{3}$  per cent on small daily papers to 35 per cent on metropolitan dailies. It was estimated that the reductions then made would be 54,000 tons annually. An article on the rationing of newsprint in Australia appears in *Commercial Intelligence Journal* No. 1904 (July 27, 1940), pages 152-3.

## Ireland

### PROHIBITION OF IMPORTATION OF SUGAR

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by a Government Order dated April 29, 1941, the importation into Eire of sugar not manufactured is prohibited, except under licence, as from May 1, 1941, to April 30, 1942. Such licence to import will only be granted to the Irish Sugar Company, Dublin.

### PAYMENT FOR GOODS EXPORTED TO CANADA

Mr. James Cormack, Canadian Trade Commissioner in Ireland, advises that the Eire Minister for Finance made an Order on April 29, 1941, entitled Emergency Powers (Payment for Exports) (No. 2) Order, 1941, effective same day, prohibiting the export of goods from Eire to Canada unless paid for in Eire in Canadian dollars, or to be so paid for within six months from date of export. There have been listed under this Order ten prominent Irish banks from which a verified certificate may be obtained as proof that the goods have already been paid for in Eire in Canadian dollars, or will be so paid for within six months from date of export.

A similar Order (No. 1) was made covering exports to the United States.

### ACQUISITION OF CANADIAN AND UNITED STATES DOLLARS

Mr. James Cormack, Canadian Trade Commissioner in Ireland, advises that the Government of Eire made an Order dated April 29, 1941, entitled Emergency Powers (No. 81) Order, 1941, requiring residents in Eire who hold Canadian or United States currency or credits to offer them for sale to the Eire Minister for Finance through a bank in this country within 14 days from the date of the Order. The Order also requires persons who become entitled to such currency, credits, etc., in future to sell them in a similar manner 14 days after they become entitled to them. Heavy penalties are imposed under this Order for failure to comply with its terms.

### SUSPENSION OF IMPORT DUTY ON BINDER TWINE

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by a Government Order dated May 17, 1941, the duty on imports into Eire of binder twine or yarns of manila, sisal, or any kindred hard fibre, other than coir, has been suspended for the period May 17, 1941, to December 31, 1941. Formerly the rate was 33 $\frac{1}{3}$  per cent ad valorem when imported from the United Kingdom and Canada, and 50 per cent ad valorem from all other countries.

### PACKAGE TAX

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by an Order of the Government of Eire, dated May 9, 1941, a licensing provision may now be applied to the package duty, whereby the Revenue Commissioners may authorize the importation into Eire of any article without the payment of such duty. All licences are to be issued subject to the terms of the Finance (Agreement with the United Kingdom) Act, 1938; i.e., in the case of goods from Great Britain or Canada, where customs entry on importation is required by weight, and the weight of the package is under 7 lb., the duty is 1d. per lb. or fraction of a pound, and where customs entry is by measure and the contents of a package are under 6 pints, the duty is 1d. per pint or fraction of a pint. Goods from all other countries start with a minimum of 2 pence per lb. or per pint.

### QUOTA ON CERTAIN ELECTRIC FILAMENT LAMPS SUSPENDED

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by an Order of the Government of Eire, dated May 6, 1941, the quota restriction on imports of electric filament lamps of one to thirty-five volts and one to sixty watts has been revoked, and such lamps may now be imported without restriction as to quantity. The import duty still remains the same, namely, 50 per cent ad valorem from all British Empire countries and 75 per cent from all other countries. These duty rates do not apply to such lamps required exclusively for scientific, medical or surgical purposes, which enter free of duty. A licensing provision is in existence, whereby imports from Canada and the United Kingdom may enter duty free, while those from other countries are subject to a 10 per cent ad valorem duty.

### ADDITIONAL QUOTAS FOR COTTON PIECE-GOODS

Mr. James Cormack, Canadian Trade Commissioner in Ireland, advises that, by two Orders of the Government of Eire, both dated May 20, 1941, additional quotas have been announced for the importation of cotton piece-goods into Eire as follows:—

Cotton piece-goods for bed sheets, ticks or mattresses, dungarees, and cotton piece-goods without pattern in colour for shirts and pyjamas: quota increased by 150,000 sq. yds., making a total of 300,000 sq. yds. for the period February 1, 1941, to July 31, 1941. All of the additional quota has been allocated to Canada and the United Kingdom, as against 148,000 sq. yds. of the former total quota of 150,000 sq. yds.

Cotton piece-goods with woven pattern in colour for shirts and pyjamas: quota increased by 200,000 sq. yds., making a total of 600,000 sq. yds. for the period February 1, 1941, to July 31, 1941. All of the additional quota has been allocated to Canada and the United Kingdom, as against 396,000 sq. yds. of the former total quota of 400,000 sq. yds.

### British West Indies

#### IMPORTANCE OF PROMPT AND CORRECT INVOICING

Mr. R. Dumoret, Acting Trade Commissioner in Montreal for the British West Indies (Eastern Group) and British Guiana, directs the attention of Canadian exporters to the importance of making out invoices correctly and completely and also to the necessity of sending documents with shipments or preferably beforehand by airmail. This, he says, would eliminate many unnecessary delays now being experienced in clearing goods from Canada. There has

been no recent change in the regulations, but these colonies have prescribed forms of invoice and certificate of origin, as explained in the report entitled "Points for Exporters to the British West Indies (Eastern Group) and British Guiana," published in *Commercial Intelligence Journal* No. 1950 (June 14, 1941), page 730. The text of the forms may be obtained on application to the Department of Trade and Commerce, Ottawa.

### **Barbados**

#### **IMPORTS OF PAPER MANUFACTURES RESTRICTED**

A notice in the Barbados *Official Gazette* of March 3, 1941, says that import licences will not in future be granted for Christmas cards, advertising and display cards and posters, decorative paper of all kinds, towels and napkins, crackers, wall paper and boxed writing paper. The importation of writing paper, other than boxed writing paper, will be limited to 70 per cent of the amounts previously imported by individual importers.

Applications for licences to import all varieties of paper should be addressed to the Barbados Comptroller of Customs, who has been appointed Competent Authority for the purpose of regulating or prohibiting the use or consumption of paper.

### **BRITISH TRADE COMMISSIONERS IN CANADA**

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland). 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

### **EXCHANGE CONDITIONS IN ARGENTINA**

#### **J. A. STRONG, CANADIAN TRADE COMMISSIONER**

Buenos Aires, June 10, 1941.—The Argentine Government has announced a simplification of the system of import control. The former main functions of the Exchange Control Board have been transferred to the Central Bank and the Exchange Control Board itself has been abolished. Import permits will no longer be required for commodities considered officially as essentials, but the present quota restrictions on automobiles and farm implement imports, the exchange auction market which affects lumber and certain other items, and the list of semi-luxury and luxury items on the prohibited list of imports for the dollar area will remain. There will be apparently no change in the present principle of applying differential exchange rates.



Argentine imports from the United Kingdom, Spain, Japan, Brazil, etc., will still be subject to the terms of the payments or barter requirements in effect with these countries. Consequently import permits are not necessary. The function of the former import permit system for purpose of keeping a record of imports from particular countries will be taken over by the Customs and the Income Tax Bureau. The details of the new regulations will not be published until some time in July but apart from the simplification of methods, which will make it easier for the importers of the essential items affected, there seems to be no reason to believe that the basic principle of import control will be changed. Nor is it likely that it will be possible to sell many, if any, new commodities to Argentina. The United States and Argentina are negotiating a trade agreement at present.

### FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 23, 1941

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 23, 1941, and for the week ending Monday, June 16, 1941, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 16	Nominal Quotations in Montreal Week ending June 23	Official Bank Rate
Finland . . . . .	Markka	.0252	\$ .0222	\$ . . . .	—
Great Britain . . . . .	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Portugal . . . . .	Escudo	.0442	.0444	. . . .	—
Spain . . . . .	Peseta	.1930	.1013	. . . .	—
Sweden . . . . .	Krona	.2680	.2646	. . . .	—
Switzerland . . . . .	Franc	.1930	.2575	. . . .	—
United States . . . . .	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico . . . . .	Peso	.4985	.2280	.2280	4
Jamaica . . . . .	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina . . . . .	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2628	.2633	—
Brazil . . . . .	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0562	.0562	—
British Guiana . . . . .	Dollar	1.0138	.9313	.9313	—
Colombia . . . . .	Peso	.9733	.6325	.6325	4
Uruguay . . . . .	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4646	.4831	—
South Africa . . . . .	Pound	4.8666			
	Bid		4.3862	4.3862	3½
	Offer		4.4590	4.4590	—
Egypt . . . . .	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
China (Shanghai) . . . . .	Dollar	. . . .	.0592	.0599	—
Hongkong . . . . .	Dollar	. . . .	.2702	.2708	—
India . . . . .	Rupee	.3650	.3359	.3359	3
Japan . . . . .	Yen	.4985	.2602	.2602	3.29
Straits Settlements . . . . .	Dollar	.5678	.5256	.5256	—
Australia . . . . .	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand . . . . .	Pound	4.8666			
	Bid		3.5440	3.5440	2
	Offer		3.5940	3.5940	—

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.

Guelph, Ont.  
Kitchener, Ont.  
Brantford, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.

Peterborough, Ont.  
London, Ont.  
St. Catharines, Ont.  
Hamilton, Ont.

Sarnia, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Edmonton, Alta.  
Winnipeg, Man.

Vancouver, B.C.  
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Jams, Preserves, and any Food Commodities.....	135	New York City.....	Agency.
Malt.....	136	Guatemala, Guatemala....	Agency.
Hops.....	137	Guatemala, Guatemala....	Agency.
Dried Mushrooms.....	138	Mexico City, Mexico.....	Agency.
<b>Miscellaneous—</b>			
Cod Oil.....	139	Los Angeles, California....	Purchase and Agency.
Hospital Demonstration Equipment.....	140	Christchurch, New Zealand	Agency.
White Dutch Clover.....	141	Los Angeles, California....	Purchase and Agency.
Paperboards.....	142	Alexandria, Egypt.....	Agency.
Strawboards.....	143	Tel-Aviv, Palestine.....	Agency.
Paper.....	144	Alexandria, Egypt.....	Purchase.
Paper (Coated, Kraft and Corona).....	145	Alexandria, Egypt.....	Agency.
Paraffin Wax Paper.....	146	Mexico City, Mexico.....	Agency.
Metal Gummed Paper.....	147	Mexico City, Mexico.....	Agency.
White and Brown Board (Leather Board).....	148	Tel-Aviv, Palestine.....	Agency.
Duplex Cardboard.....	149	Tel-Aviv, Palestine.....	Agency.
Bristol Cardboard.....	150	Tel-Aviv, Palestine.....	Agency.

## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### GENERAL

**Annual Report of the Department of Trade and Commerce.**—A review of the salient features of Canada's export and import trade and a summary of the activities of each of its Branches, including the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Service; Electricity and Gas Inspection Services; Publicity; Government Motion Picture Bureau; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a statement of Revenue and Expenditure. (Price 25 cents.)

**Annual Report of the Board of Grain Commissioners.**—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

**Annual Report of Electricity and Gas Inspection Services.**—A summary of the work of these services with statistics of revenue and expenditure, as also statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

**Annual Report of Dominion Grain Research Laboratory.**—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with Universities, Experimental Farms and other Government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

**Catalogue of Motion Pictures.**—List of all films available in the Government Motion Picture Bureau, with title and brief description. It is in loose leaf form, in order that revision may be made from year to year. (Price 25 cents.)

**List of Grain Elevators.**—Details of all Grain Elevators in Western and Eastern Divisions also licensed grain commission merchants, track buyers of grain and grain dealers and summary of grain loading platforms in Western Division. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

**Commercial Intelligence Journal.**—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving Invoice Requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:—

**Census of Canada.**

**Miscellaneous Statistics** respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; Institutions: hospitals, crime.

Canada, 1941. (Price 25 cents.)

**Canada Year Book.** (Price \$1.50.)

**Trade (Internal), Prices, cost of living, capital movements, etc.** (Price 50 cents.)

**Monthly Review of Business Statistics.** (Price \$1 per annum.)

**News Bulletin, Daily** (Price \$1.50 per annum), **Weekly** (Price \$1.00 per annum.)



# COMMERCIAL INTELLIGENCE SERVICE

**C. H. PAYNE, Director**

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## Argentina

**J. A. STRONG, B. Mitre 430, Buenos Aires (1).** (Territory includes Uruguay.) *Cable address, Canadian.*

## Australia

**Sydney:** **L. M. COSGRAVE.** Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

**Melbourne:** **FREDERICK PALMER, 44 Queen Street, Melbourne, C.1.** (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

## Brazil

**L. S. GLASS.** Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

## British India

**PAUL SYKES.** Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

## British Malaya

**J. L. MUTTER, Union Building, Singapore, Straits Settlements.** (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

## British West Indies

**Trinidad:** Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

**Jamaica:** **F. W. FRASER, P.O. Box 225, Kingston.** Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

## China

**V. E. DUCLOS.** Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

## Cuba

**C. S. BISSETT.** Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

## Egypt

**HENRI TURCOT.** Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

## Hongkong

**P. V. McLANE.** Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

## Ireland

**JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (cable address, Canadian); and 36 Victoria Square, Belfast, Northern Ireland.**

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

### Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

### New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

*Johannesburg:* J. H. ENGLISH. Address for letters—P.O. Box 715. Mutual Building, 89 Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.*

*London:* G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*Washington:* H. A. Scott, Commercial Attaché. Office—Canadian Legation.

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

*Chicago:* M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

*Los Angeles:* B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**













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